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## EXECUTIVE CABINET

**Day:** Wednesday  
**Date:** 24 July 2019  
**Time:** 2.00 pm or on the rise of the Strategic Commissioning Board meeting scheduled for 1pm.  
**Place:** Tameside One, Market Square, Ashton-Under-Lyne, OL6 6BH

Item No.	AGENDA	Page No
1.	<b>APOLOGIES FOR ABSENCE</b> To receive any apologies for the meeting from Members of the Executive Cabinet.	
2.	<b>DECLARATIONS OF INTEREST</b> To receive any declarations of interest from Members of Executive Cabinet.	
3.	<b>URGENT ITEMS</b> To consider any additional items the Chair is of the opinion shall be dealt with as a matter of urgency.	
4.	<b>ITEMS FOR EXCLUSION OF PUBLIC AND PRESS</b> To determine any items on the agenda, if any, where the public are to be excluded from the meeting	
5.	<b>MINUTES</b>	
a)	<b>EXECUTIVE CABINET</b> To consider the minutes of the meeting of the Executive Cabinet held on 26 June 2019.	1 - 8
b)	<b>STRATEGIC COMMISSIONING BOARD</b> To receive the minutes of the meeting of the Strategic Commissioning Board held on 26 June 2019.	9 - 18
c)	<b>STRATEGIC PLANNING AND CAPITAL MONITORING PANEL</b> To receive the minutes of the meeting of the <a href="#">Strategic Planning and Capital Monitoring Panel meeting held on 8 July 2019</a> and consider the following recommendations arising from the meeting:  <b>CAPITAL OUTTURN</b> Minute 4 refers	19 - 24
	<b>RESOLVED</b>	

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

- (i) That the reprofiling of £5.810m of capital budgets as set out in Appendix 3 to reflect up to date investment profiles be approved.
- (ii) That the changes to the Capital Programme as set out in Appendix 1 be approved.
- (iii) The updated Prudential Indicator position set out in Appendix 5 be approved.

#### **CAPITAL PROJECTS GROWTH**

Minute 6 refers

#### **RESOLVED**

**That Executive Cabinet be recommended:**

- (i) That a sum of £1.137m of 2019/2020 funding from Ministry of Housing, Communities and Local Government for adaptations as detailed within the submitted report be approved.
- (ii) That a sum of £0.200m for non-adaptations as set out in sections 2.7 and 2.9 of the submitted report be approved.
- (iii) That the corporate landlord capital expenditure associated with statutory compliance capital work of £0.156m as detailed within section 2.22 of the submitted report, be approved.
- (iv) That the section 106 education contribution of £0.069m as detailed in 2.30 of the submitted report be approved.
- (v) That £0.100m of the £10.000m earmarked budget for Ashton Town Hall is released to fund further market testing and feasibility works

#### **INVESTING IN CHILDREN'S PLAYGROUNDS**

Minute 7 refers

#### **RESOLVED**

**That Executive Cabinet be recommend to approve the £600,000 spend for the children's playgrounds as detailed within the report.**

#### **LEISURE ASSETS CAPITAL INVESTMENT PROGRAMME**

Minute 8 refers

#### **RESOLVED**

**That Executive Cabinet be recommended to approve the floodlight replacement scheme off Richmond Street in Ashton subject to funding from Sport England and East Cheshire Harriers being provided as detailed within the submitted report.**

#### **EDUCATION CAPITAL PROGRAMME - UPDATE**

Minute 9 refers

#### **RESOLVED**

**That the Executive Cabinet be recommended**

- (i) **To approve the proposed changes to the Education Capital Programme, as outlined in Appendix 1 (Basic Need Funding**

Schemes) and Appendix 2 (School Condition Allocation Funding Schemes) of the submitted report.

- (ii) That the risks highlighted in Section 5 of the report are noted.
- (iii) To approve additional Devolved Formula Capital of £685,902 for 2018/19 and £344,294 2019/20 Devolved Formula Capital to be added to the Council's capital programme and thereon made available to schools on request, as referenced in section 2.9 of the submitted report.
- (iv) To approve £4,842,699 2019/20 Basic Need allocation and £1,153,000 of 2019/20 School Condition grant to be added to the Council's capital programme, as referenced in section 2.4 and 2.7 respectively of the submitted report.

## OPERATIONS AND NEIGHBOURHOODS CAPITAL

Minute 10 refers

That Executive Cabinet be recommended that the additional capital grant funding set out in paragraph 3.7, Table 4 of the submitted report.

### 6. RECOMMENDATIONS OF STRATEGIC COMMISSIONING BOARD

To receive any recommendations made by the Strategic Commissioning Board previously considered at the earlier meeting at 1pm on 24 July 2019 in relation to the following item:

- a) **UPDATE ON HOMELESSNESS, ROUGH SLEEPING IN TAMESIDE & THE A BED EVERY NIGHT SERVICE** 25 - 32

To approve the recommendations from the Strategic Commissioning Board within the attached report of the Executive Member for Housing, Planning and Employment / Assistant Director of Operations and Neighbourhoods.

### 7. CORPORATE RESOURCES ITEMS

- a) **MONTH 2 CONSOLIDATED REVENUE MONITORING REPORT** 33 - 44

To consider the attached report of the Executive Member for Finance and Economic Growth / Director of Finance.

- b) **ESTABLISHING A VENTURE FUND FOR INVEST TO SAVE OPPORTUNITIES** 45 - 48

To consider the attached report of the Executive Member for Finance and Economic Growth / Assistant Director of Finance

- c) **GREATER MANCHESTER COMBINED AUTHORITY FULL FIBRE NETWORK PROGRAMME** 49 - 76

To consider a report of the Executive Leader / Assistant Director of Digital.

### 8. SERVICE OPERATIONAL ITEMS

- a) **SCHOOLS STRATEGY UPDATE** 77 - 98

To consider the attached report of the Executive Member of Life Long Learning, Equalities, Culture and Heritage / Assistant Director of Education /

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Assistant Director of Finance

- b) **REVIEW OF PARKING IN ASHTON TOWN CENTRE AND FUTURE BOROUGH WIDE PARKING OPTIONS** 99 - 108

To consider the attached report of the Executive Member for Neighbourhoods, Community Safety and Environment / Director of Operations and Neighbourhoods.

## EXECUTIVE CABINET

26 June 2019

**Present:** Councillors Fairfoull (Vice-Chair, in the Chair), Bray, Feeley, Gwynne, Kitchen and Wills

**In Attendance:**

Stephanie Butterworth	Director of Adult Services
Sarah Dobson	Assistant Director of Policy, Performance & Communications
Emma Varnam	Assistant Director of Operations & Neighbourhoods
Jayne Traverse	Director of Growth
Debbie Watson	Interim Assistant Director of Population Health
Tom Wilkinson	Assistant Director of Finance
Jessica Williams	Interim Director of Commissioning

**Apologies for Absence:** Councillors Cooney, Ryan and Warrington,

### 1 DECLARATIONS OF INTEREST

There were no declarations of interest.

### 2 EXECUTIVE CABINET

Consideration was given to the minutes of the meeting of the Executive Cabinet held on 24 April 2019.

#### RESOLVED

**That the minutes of the meeting of the Executive Cabinet held on 24 April 2019 be approved and signed by the Chair as a correct record.**

### 3 STRATEGIC COMMISSIONING BOARD

Consideration was given to the minutes of the meeting of the Strategic Commissioning Board held on 24 April 2019.

#### RESOLVED

**That the minutes of the meeting of the Strategic Commissioning Board held on 24 April 2019 be received.**

### 4 ENFORCEMENT CO-ORDINATION PANEL

Consideration was given to the minutes and recommendations from the meeting of the Enforcement Co-ordination Panel held on 17 April 2019.

#### RESOLVED

**That the minutes of the meeting of the Enforcement Co-ordination Panel held on 17 April 2019 be noted and the following recommendations be approved:**

**That the revised Regulation of Investigatory Powers Policy be adopted.**

## **5 GREATER MANCHESTER COMBINED AUTHORITY**

Consideration was given to a report of the Executive Leader and Chief Executive, which informed Members of the issues considered at recent Greater Manchester Combined Authority meetings.

### **RESOLVED**

**That the content of the report be noted.**

## **6 ONE EQUALITY SCHEME ANNUAL REVIEW 2019**

Consideration was given to a report of the Executive Leader / Executive Member for Lifelong Learning, Culture and Heritage / Assistant Director of Policy, Performance and Communications seeking approval of the One Equality Scheme following an annual review.

Members were informed that the report had been considered by the Strategic Commissioning Board at the meeting held on 26 June 2019. The Strategic Commissioning Board had recommended that Executive Cabinet approve the One Equality Scheme and subsequent publication.

Members were advised that the One Equality Scheme 2018-22 was the first joint equality scheme of Tameside & Glossop Strategic Commission (Tameside Council and NHS Tameside and Glossop Clinical Commissioning Group). Such arrangements had enabled the successful establishment of a joint approach and shared vision for the equality and diversity of residents, patients and service users across Tameside and Glossop. The scheme set out how the Council and Clinical Commissioning Group strived to reduce the impact of inequality and improve the lives of the most vulnerable members of our communities. The scheme demonstrated the commitment to ensure that our ethos towards equality and diversity was embedded within everything we do to design and delivery a range of services.

### **RESOLVED**

**That the One Equality Scheme (2019) be approved and published.**

## **7 2018/19 REVENUE OUTTURN REPORT**

Consideration was given to a report of the Executive Member for Finance & Economic Growth / Director of Finance that provided an overview on the financial position of the Tameside and Glossop Health economy in 2018/19. For the year to 31 March 2019 the report forecast that service expenditure would exceed the approved budget in a number of areas, due to a combination of cost pressures and non-delivery of savings. These pressures were being partially offset by additional income in corporate and contingency, which were unlikely to be available in future years.

For the 2018/19 financial year the Integrated Commissioning Fund had spent £588,974k, against a net budget of £589,000k thereby meeting financial control totals and delivering an under-spend of £26k. This overall underspend at a global level had only been possible as a result of non-recurrent financial interventions and it should be noted that contained within this position were several directorates with significant overspend, including Children's Services which had spent £8,043k in excess of budget.

The Director of Finance outlined the Council's Collection Fund outturn for 2018/19. The 2018/19 outturn position on the Collection Fund was better than originally forecast due to income from Business Rates exceeding initial forecasts, and the level of provision required for non-collection of Council Tax and appeals against Business Rates were both lower than originally anticipated. It was explained that the cumulative deficit on Business Rates could be funded from the NNDR deficit reserve in 2019/20. The cumulative surplus on Council Tax would be transferred to earmarked

reserves in 2019/20, and the Medium Term Financial Plan assumes that this surplus will be used to support the budget over the next five years.

#### **RESOLVED**

**That the year-end financial position across both the Strategic Commission and the Integrated Care Foundation Trust be noted.**

### **8 CAPITAL OUTTURN 2018/19**

Consideration was given to a report of the Executive Member for Finance & Economic Growth / Director of Finance summarising the 2018/19 capital expenditure monitoring position at 31 March 2019, based on information provided by project managers. The report detailed actual capital investment in 2018/19 of £51.545m at March 2019. This was less than the original budgeted capital investment for 2018/19, and is in part due to project delays that are being experienced following the temporary pause to the Capital Programme.

Service areas had spent £51.545m on capital investment in 2018/19, which was £5.899m less than the current capital budget for the year. The slippage was spread across a number of areas, and was in part due to project delays now being experienced as a result of the temporary pause on the capital programme and the liquidation of Carillion who, through the Local Education Partnership (LEP) had been delivering or managing a number of key projects.

It was proposed that the capital investment programme be re-profiled to reflect current information. Proposed re-profiling of £5.810m into the next financial year was identified within the individual service area tables in **Appendix 3** to the report. Approved re-profiling at Quarter 1 was £16.753m, £10.796m at Quarter 2 and £9.308m at Quarter 3. Once re-profiling had been taken into account, capital investment was forecast to be £0.089m less than the capital budget for this year.

#### **RESOLVED**

- (i) The re-profiling of £5.810m of capital budgets to reflect up to date investment profiles as set out in Appendix 3 of the submitted report, be approved.**
- (ii) The changes to the Capital Programme as set out within Appendix 1 to the submitted report, be approved.**
- (iii) The updated Prudential Indicator position set out within Appendix 5 to the submitted report be approved.**
- (iv) The capital budget monitoring position as at 31 March 2019 be noted.**
- (v) The resources currently available to fund the Capital Programme be noted.**
- (vi) The updated capital receipts position be noted.**
- (vii) The timescales for review of the Council's three year capital programme.**

### **9 COOPERATIVE COUNCILS**

Consideration was given to a report of the Executive Leader / Assistant Director for Policy, Performance and Communications summarising the Cooperative Councils initiative including benefits of membership and the application process which Local Authorities must follow to join the network.

It was explained that the Cooperative Councils Network had been set up to promote the delivery of local services in a co-operative or co-productive manner. It was stated that Cooperative Councils aimed to drive forward new cooperative approaches to transform the way local public services were delivered in their areas and support local communities in the face of funding cuts. Collective action, co-operation, empowerment and enterprise would be used to help transform local services and local communities. The vision was to end the era of top-down services where people were expected to put up with whatever's on offer.

The Assistant Director for Policy, Performance and Communications advised that the accreditation process was a Local Authority led process, which would require a review of several existing Council practises, including the way in which Tameside Council provided most of its basic and statutory services. The Cooperative Councils Innovation Network (CCIN) had a formal application in which new co-operative Councils' standards were assessed before accreditation.

The necessary requirements for Local Authorities to join the CCIN were outlined in the report as follows, along with proposed timescales should Tameside Council wish to take forward a cooperative approach:

- Endorse the values and principles of the Network and the ambition to become a cooperative council at Board/ Cabinet.
- Establish a code of ethics. Example for discussion and development in appendix 4.
- Discuss the cooperative approach with strategic partners and/or community partners through the Health and Wellbeing Board/Public Service Reform Board.
- Hold an elected members' development session led by a representative of the CCIN. This will ensure that all Parties are properly consulted.
- Adopt cooperative values in our approach to commissioning. (Commission STAR to undertake a review)
- Carry out any corporate communication of cooperative values.
- Take a Cabinet decision to endorse cooperative values.
- Undertake any public campaigns that demonstrate cooperative principles.
- Discuss holding a Cooperative conference in the autumn, bringing local community projects together for a morning/afternoon event.
- Discuss plans to change the Council constitution to reflect cooperative values at Full Council.

#### **RESOLVED**

**That the report be noted.**

### **10 CHARGING FOR PRE-APPLICATION ADVICE**

Consideration was given to a report of the Executive Member for Housing, Planning and Employment / Director of Growth seeking approval to undertake a period of consultation on proposals to charge for pre-planning application advice.

The Director of Growth advised that pre-application engagement by prospective applicants provided significant opportunities to improve both the efficiency and effectiveness of the planning application system and improve the quality of planning applications and their likelihood of success. It allowed relevant policies to be identified along with other material planning considerations associated with proposed development at an early stage. It was explained that Councils had the ability to charge for providing pre-application advice, with four of the Greater Manchester Councils not charging for providing this Tameside, Manchester, Bolton and Oldham. As a result of not charging Tameside MBC received a high volume of requests that were becoming increasingly difficult to accommodate to a high professional standard.

The Director of Growth advised that the proposed charging schedule had been developed around a fixed price structure comprising four tiers to reflect the varying degree of resources needed for the different types of development projects. As such, the four categories of service proposed allowed the charging structure to be simplified, yet the charges reflected the level of work, engagement and consultation necessary commensurate to the scale and complexity of the proposals

#### **RESOLVED**

**That approval be given to a period of consultation to be undertaken with active planning agents who have submitted planning applications in the preceding twelve month period, on**



**the proposed Charging Schedule for pre-application advice attached at Appendix 1 to the submitted report.**

## **11 REVIEW OF THE LOCAL EDUCATION PARTNERSHIP**

Consideration was given to a report of the Director of Growth / Assistant Director of Finance, which set out the options for services currently delivered by the Local Education Partnership and sought an extension to the Additional Service Contract until 31 July 2020, to enable a full review of future options.

Members were informed that the Local Education Partnership was established in February 2009 as a condition of the then government's flagship Building Schools for the Future programme. The creation of the Local Education Partnership, as a delivery vehicle, allowed the Council to access more than £400m of capital investment which allowed the Council to replace, rebuild and refurbish the majority of its secondary school estate, which, like most of the national school estate, was in poor condition and no longer suitable to modern educational needs. The Council's arrangement with the Local Education Partnership was for an initial 10 year period with an option to extend for up to another 5 years, up to February 2024.

It was stated that the Local Education Partnership was due to be reviewed in 2018, but the collapse of Carillion meant that the Council had to focus its energies and redirect resources on maintaining existing service continuity and completion of significant capital project Tameside One. The Council supported the Local Education Partnership in securing a new delivery partner, allowing the completion of the flagship Tameside One building, which was only partially built when Carillion entered liquidation.

### **RESOLVED**

- (i) That Executive Cabinet notes until the collapse of Carillion in 2018, the additional services arrangements with the LEP have served the Council well. However, after a decade, a review was always necessary to ensure the arrangements remained fit for purpose in a changing landscape brought about by significant austerity budget reductions together with the Council's own ambitions as set out in its newly launched corporate plan. Additionally it should be acknowledged that the decision to agree Robertson in replacing Carillion as the building and construction partner have also served the Council well. Robertson have supported the Council in completing ambitions for Tameside One and supporting the workforce who deliver crucial services to schools and the council in relation to catering, FM and capital projects.**
- (ii) That the Additional Service Contract is extended until 31 July 2020, whilst options are explored in respect of the following 3 services:**
  - Primary School Catering**
  - Capital Projects**
  - Facilities Management (FM)**
- (iii) That the Director of Growth and Assistant Director Education notify schools of the extended arrangements for Primary School Catering to July 2020 and consult with them about alternative options.**
- (iv) That the Director of Growth be authorised to inform the Local Education Partnership that management of the Strategic Estates service will be brought back in-house during August 2019 subject to any contractual and TUPE consultations being undertaken as necessary.**
- (v) That the Director of Growth be nominated as the Council's representative on the Local Education Partnership Board and its associated companies, replacing the Chief Executive.**

## **12 CAREERS SUPPORT SERVICE CONTRACT**

Consideration was given to a report of the Executive Member for Children's Services / Director of Growth requesting authorisation to conduct an open and competitive tender process, testing the market to secure an appropriate supplier to deliver a Career Guidance and Support Service for Tameside.

Members were informed that the service currently performed well compared to statistical neighbours due to a focus on early intervention and maximising other funding sources to align provision. The current budget was £450,000 per annum and it was envisaged the service should run for a further five years subject to satisfactory performance.

Annual contract discussions with a report of the previous 4 quarters would be required to substantiate the review and ongoing contract period. A 3 – 6 month notice or change of direction period would also be applied.

### **RESOLVED**

**That approval to undertake a competitive tender process for the provision of a Career Guidance and Support Service for Tameside, be granted.**

## **13 STAMFORD PARK CONSERVATORY**

Consideration was given to a report of the Executive Member for Neighbourhoods, Community Safety and Environment / Assistant Director of Operations and Neighbourhoods seeking approval for the demolition of the conservatory within Stamford Park and the creation of a new formal garden in its place.

The Assistant Director of Operations and Neighbourhoods advised Members that the conservatory had been closed to the public since April 2015 after safety concerns were raised following a structural survey. The proposal to create a formal garden would include ornamental planting, formal benches, paths and pergolas created from the original ironwork within the conservatory.

The Assistant Director of Operations and Neighbourhoods detailed alternative options for consideration by Executive Cabinet. Option one, to retain and repair the existing structure did not offer a long term solution as repairs would be only guaranteed for five years and require significant costs for maintenance and ongoing heating of the structure. Option two, to replace the existing structure with an alternative new structure was reported to be the most expensive option.

### **RESOLVED**

**That the demolition of the conservatory within Stamford Park and the creation of a formal garden, as detailed within the submitted report, be approved.**

## **14 PLOTS A & B HATTERSLEY INDUSTRIAL ESTATE, STOCKPORT ROAD, HATTERSLEY**

Consideration was given to a report of the Executive Member for Housing, Planning & Environment / Director of Growth seeking approval of the sale of the land at Hattersley Industrial Estate to RSK Group for the sum of £400,000.

The Director of Governance and Pensions informed Members that the site comprised 2 separate plots of land extending to 1.14 and 1.95 acres respectively. It was originally acquired from Manchester City Council forming part of Hattersley Industrial Estate on 29 March 1978 for the sum of £111,500. It was subsequently sold on 6 October 1980 to Greater Manchester Economic Development Corporation (GMEDC) for £125,000 and immediately leased back to the Council under the terms of a lease for a term of 125 years' subject to payment of an annual rent of £28,690. The Council subsequently purchased the freehold from GMEDC for £287,000 on 25 March 1983.

Terms were agreed to sell the land for the sum of £400,000 in March 2017 subject to the grant of planning after marketing with Manchester Agents WT Gunson and on the basis that this was a very good albeit the only offer received to purchase the land. Planning permission had been approved at the meeting of the Speakers Panel (Planning) held on 29 May 2019.

The Director of Governance and Pensions explained as there was no current Estates Disposal Policy, the Director of Growth was not in a position to sell any land without approval of Cabinet.

**RESOLVED**

- (i) That the sale of land at Hattersley Industrial Estate, as detailed within the submitted report be approved.**
- (ii) The Borough Solicitor be authorised to finalise the legal due diligence and to complete all the necessary legal documentation to complete the sale.**

**CHAIR**

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## STRATEGIC COMMISSIONING BOARD

26 June 2019

**Present:** Dr Ashwin Ramachandra (Chair) – NHS Tameside and Glossop CCG  
Councillor Bill Fairfoull – Tameside MBC  
Councillor Warren Bray – Tameside MBC  
Councillor Leanne Feeley – Tameside MBC  
Dr Jamie Douglas – NHS Tameside & Glossop CCG  
Dr Vinny Khunger – NHS Tameside & Glossop CCG  
Dr Christine Ahmed – NHS Tameside & Glossop CCG

**In Attendance:** Stephanie Butterworth Director of Adult Services

Richard Hancock Director of Children's Services  
Pat McKelvey Head of Mental Health & Learning Disabilities  
Ali Rehman Integrated Performance & Intelligence Service Manager  
Jessica Williams Interim Director of Commissioning

**Apologies for Absence:** Councillor Brenda Warrington – Tameside MBC  
Councillor Gerald Cooney – Tameside MBC  
Councillor Oliver Ryan – Tameside MBC  
Steven Pleasant – Tameside MBC Chief Executive & Accountable Officer for NHS Tameside & Glossop CCG  
Carol Prowse – NHS Tameside & Glossop CCG  
Dr Asad Ali – NHS Tameside & Glossop CCG

### 1 DECLARATIONS OF INTEREST

There were no declarations of interest.

### 2 MINUTES

Consideration was given to the minutes of the meeting of the Strategic Commissioning Board held on 26 June 2019.

#### RESOLVED

**That the minutes of the meeting of the Strategic Commissioning Board held on 26 June 2019 be approved as a correct record and signed by the Chair.**

### 3 STRATEGIC COMMISSION AND NHS TAMESIDE AND GLOSSOP INTEGRATED CARE FOUNDATION TRUST – CONSOLIDATED 2018/19 REVENUE MONITORING STATEMENT AT 31 MARCH 2019

Consideration was given to a report of the Director of Finance which stated that for the 2018/19 financial year the Integrated Commissioning Fund had spent £588,974k, against a net budget of £589,000k. Meeting financial control totals and delivering an underspend of £26k. This overall underspend at a global level had only been possible as a result of non-recurrent financial interventions and it should be noted that contained within this position are several directorates with significant overspend, including Children's Services which has spent £8,043k in excess of budget.

Against an authorised deficit position of £23,370k, the actual deficit position at the Integrated Care Foundation Trust was £23,348k, £22k better than target.

The Director of Finance reported that 94% of savings target had been met with the short fall of £2,062k having been addressed non-recurrently to ensure that financial control totals were met.

**RESOLVED**

**That the year-end financial position across both the Strategic Commission and the Integrated Care Foundation Trust be noted.**

#### **4 QUALITY ASSURANCE**

The Director of Quality and Safeguarding presented a report providing the Strategic Commissioning Board with assurance that robust quality assurance mechanisms were in place monitoring the quality of the services commissioned. It also highlighted any quality concerns and provided assurance as to the action being taken to address such concerns.

The Director of Quality and Safeguarding referred to a learning disability mortality review from which emerging learning themes included an Annual Health Check Uptake and Quality of Health Action plans. Good Practice themes identified included; Reasonable Adjustments and the use of the Hospital Passports. Each of these would be incorporated into improving practice shared directly with relevant Providers, GPs, or commissioners for appropriate real time action.

**RESOLVED**

**That the report be noted.**

#### **5 PERFORMANCE UPDATE**

Consideration was given to a report of the Assistant Director Policy, Performance and Communications providing the Strategic Commissioning Board with a Health and Care performance update.

The Assistant Director for Policy, Performance and Communications highlighted information contained within the Health & Care Dashboard which included exception reporting for measures which are areas of concern, such as where performance was declining and/or off target. Additionally Members were advised on other intelligence / horizon scanning including updates on issues raised by Strategic Commissioning Board Members. A more detailed review of performance across a number of measures was reported in a thematic area based on the latest published data at the end of March 2019.

Members were advised the A&E performance for April was 86.0% for Type 1 & 3 which was below the target of 95% nationally. Underlying demand continued to grow, a consequence of increased acuity including the beginning of a seasonal effect, and increased bed occupancy. There had been a decline in referrals to treatment within 18 weeks. This was primarily due to local GP referrals, but also increases from commissioners outside of Trafford and Manchester, including ENT, cardiology and paediatrics.

Members of the Strategic Commissioning Board sought assurances over the actions taken to alleviate the rise in demand for MRI and Non Obstetric Ultrasound at the Salford Royal Foundation Trust. Members were reassured that those patients waiting 52 weeks or over for treatment were progressing and underlying issues had been resolved.

**RESOLVED**

**That the report be noted.**

## **6 ONE EQUALITY SCHEME ANNUAL REVIEW 2019**

Consideration was given to a report of the Executive Leader / Executive Member for Lifelong Learning, Culture and Heritage / Assistant Director of Policy, Performance and Communications detailing the annual review of the One Equality Scheme.

The Assistant Director of Policy, Performance and Communications advised that the One Equality Scheme 2018-22 is the first joint equality scheme of Tameside & Glossop Strategic Commission (Tameside Council and NHS Tameside and Glossop Clinical Commissioning Group). Such arrangements had enabled the successful establishment of a joint approach and shared vision for the equality and diversity of residents, patients and service users across Tameside and Glossop. The scheme sets out how the Council and CCG strived to reduce the impact of inequality and improve the lives of the most vulnerable members of our communities, committed to ensure that our ethos towards equality and diversity is embedded within everything we do to design and delivery a range of services.

### **RESOLVED**

**That the Executive Cabinet be recommended to approve the draft of the One Equality Scheme Annual Review 2019 for publication.**

## **7 REQUIREMENTS FOR REVIEW OF CHILD DEATHS IN GREATER MANCHESTER**

Consideration was given to a report of the Executive Member for Adult Social Care and Population Health / Director of Quality and Safeguarding / Ashwin Ramachandra (Chair) – NHS Tameside and Glossop CCG which outlined the arrangements required for Tameside Local Authority and Tameside & Glossop Clinical Commissioning Group to meet the statutory requirement for reviews of deaths of all children 0-18 years. The report detailed suggested reporting structures for the child death review process to GM Health and Wellbeing Boards.

The Director of Quality and Safeguarding reported that recommendations contained within the report had been produced and agreed on behalf of the Greater Manchester Directors of Children's services and Directors of Nursing CCGs and Directors of Population Health to scope the current arrangements; and to make recommendations as to changes required to meet the statutory guidance for the review of child deaths

Members were advised that following revisions to guidance in 2108 a review had been undertaken to ensure that commissioners and providers of health and social care services within Greater Manchester were clear of the statutory requirement for reviews of deaths of all children 0-18 years to be carried out, to ensure that there are clear reporting structures of the findings of deaths of children and young people, to have clear procedures in place to use data gathered, through various review arrangements, to use information gathered to prevent further deaths and ensure that effective services are commissioned and provided to families who have suffered bereavement through the death of a child.

### **RESOLVED**

- (i) That Health Commissioners and Providers across Greater Manchester are required to understand and implement systems to ensure mortality reviews of all children who have died within their services are carried out using a multi-agency model of review, including commissioners and providers of public health services, be noted and approved.**
- (ii) That Partners other than health services to understand the requirement of practitioners in their agencies to participate in all mortality reviews as necessary be noted and approved.**

- (iii) That a review of procedures and services within acute trusts by health providers and commissioners to ensure that services to meet the needs of families where the death of the a child has occurred are effective, be noted.
- (iv) That agreed information sharing between health providers and Child Death Overview Panels to ensure that all reviews of deaths of children are shared with Child Death Overview Panels, be noted and approved.
- (v) That revision of current sudden unexplained deaths of children policy and mortality review policies to ensure that information sharing and involvement in reviews of deaths of children include the sudden unexplained deaths of children paediatric staff as necessary be noted and approved.
- (vi) That agreement is required across CCG areas of whether there is a perceived need for a discrete role of designated doctor for child deaths including funding arrangements if this is necessary, be noted and approved.
- (vii) That the agreement of continuation of current funding arrangements for sudden unexplained deaths of children by all 10 CCG areas, be noted and approved
- (viii) That the agreement reached between sudden unexplained deaths of children service and acute trusts about the management and review of some cases of unexpected deaths which may occur within the acute trust setting be noted and approved.
- (ix) That responsibility for Governance arrangements for CDOP to be transferred to Health and Wellbeing Boards be noted and approved.
- (x) That the continued agreement for the funding of CDOP administrators be noted and approved.
- (xi) That the agreement that current arrangements for funding of the CDOP administrator role are reviewed across Greater Manchester to ensure that there is capacity to carry out revised role and to ensure that databases can be maintained, be noted and approved.
- (xii) That the joint decision making as to the most appropriate holder for the transfer of budgets for CDOP from LSCBs to alternative arrangements for CDOP. This includes budgets for maintaining databases, be noted and approved.
- (xiii) That the continued support for the current Greater Manchester CDOP arrangements from commissioners of health services and their partners be noted.
- (xiv) That the role of public health partners in leading CDOPs roles needs to be established, be noted.

## **8 PRIMARY CARE NETWORKS - DEVELOPMENT UPDATE**

Consideration was given to a report of Dr Kate Hebden and Dr Vinny Khunger, CCG Governing Body GPs and the Interim Director of Commissioning, setting out the proposals for the establishment and early delivery phase of Primary Care Networks within Tameside and Glossop. The report set out setting out the proposed strategic direction for the development and implementation of Primary Care Networks and the role of Networks, within an Integrated Neighbourhood, in the delivery of the Primary Care within the Locality Plan; and seeking approval of the alignment of the roles of Integrated Neighbourhood Clinical Leads and Primary Care Network Clinical Directors

It was explained that on 10 January 2019, the NHS Long Term Plan had been published. This was followed on the 31 January 2019 by 'Investment and Evolution: A five year framework for GP contract reform to implement the NHS Long Term Plan' that set out a number of fundamental changes to the GP contract from 1 April 2019 including the introduction of the Network Contract Direct Enhanced Service creating Primary Care Networks. The Strategic Commission and Primary Care Committee were required to approve Primary Care Network registration forms and coverage and to confirm arrangements to NHS England by 31 May 2019.

The footprint of established Neighbourhoods was the Strategic Commission's ambition for Primary Care Networks in Tameside and Glossop. This was due to the significant and extensive work the neighbourhoods had carried out to build community health, social care, children's integrated teams,



social prescribing, community safety partnerships amongst others, with General Practice at the heart. There had been many successes to date by these Neighbourhoods and established collaboration across those footprints.

## **RESOLVED**

- (i) That the approval process and governance via Primary Care Committee on 22 May 2019 be noted**
- (ii) That the construct of five Primary Care Network applications approved and the associated investment across the Integrated Commissioning Fund; both the s75 funding approved at SCB in March and the funding within the In Collaboration element of the Integrated Commissioning Fund, be noted**
- (iii) That the proposed strategic direction, set in sections 5 and 6 of the submitted report, for development and implementation of Primary Care Networks and the role of Networks, within an Integrated Neighbourhood, in the delivery of the Primary Care within the Locality Plan be approved.**
- (iv) That the relationship between individual practices, Primary Care Networks, Integrated Neighbourhoods and the Locality, illustrated at paragraph 5.3 of the submitted report including the role, responsibility and differentiation of each of these and their respective place for the delivery of proactive and preventative care for our population be noted.**
- (v) That the alignment of the roles of Integrated Neighbourhood Clinical Leads and Primary Care Network Clinical Directors the need to review the clinical sessions of the Integrated Neighbourhood posts in light of the appointment of the Primary Care Network Clinical Directors be approved.**

## **9 INITIAL EVALUATION OF FOUR GREATER MANCHESTER (GM) FUNDED TRANSFORMATION SCHEMES**

Consideration was given to a report of the Executive Member for Adult Social Care and Population Health / Interim Director of Commissioning detailing the initial evaluation by the University of Manchester of four transformation schemes, which had received funding from the Greater Manchester Health and Social Care Partnership (GMHSCP).

The University of Manchester had been selected as an independent evaluation partner with a remit to analyse the success of the Care Together programme and specifically, the transformation schemes funded by the Health and Social Care Partnership. The Care Together partnership had identified Greater Manchester Transformation Schemes that had not been reviewed since being commissioned by the Strategic Commissioning Board. The report provided details of an interim evaluation on the following:

- Extensive Care Service
- Integrated Neighbourhood Pharmacy
- Community IV Therapy
- Support at Home.

The evaluation had sought to understand impacts on patients and service users via patient questionnaires or alternative qualitative approaches. However, health and well-being outcomes had not been quantitatively assessed. It was stated that Community IV Therapy and Integrated Neighbourhood Pharmacy were releasing financial benefit. The Support at Home scheme had not been able to demonstrate financial benefit due to increasing pay, nor was it yet possible to determine how this is translated into a more efficient model of care and reductions in demand. The Extensive Care Service was unable to evidence benefits on the wider system though it was considered that there had been insufficient time to demonstrate a change in referral criteria.

## **RESOLVED**

- (i) That the evaluation of these four schemes was the initial part of an overall evaluation for Tameside and Glossop Transformation programme be noted**
- (ii) That the progress of all four schemes to date and recognise that further embedding of the services is required before an accurate evaluation can take place, be noted**
- (iii) That the continuation of all four schemes as currently funded for the final year of the GM transformation programme be approved.**
- (iv) That the full evaluation of GM transformation programme be brought to a future meeting of the Strategic Commissioning Board.**

## **10 ICFT CONTRACT OUTCOMES**

Consideration was given to a report of the Executive Member for Adult Social Care and Population Health/ Interim Director of Commissioning which outlined proposed key outcome measures, which should they be achieved, would provide an additional £1m of income for the Integrated Care Foundation Trust in 2019/20.

Each of the outcome measures supported life course priorities for Tameside and Glossop and alignment to the Corporate Plan. The measures had been developed in partnership with the Integrated Care Foundation Trust. An Integrated Care Foundation Trust Contract meeting group, to be chaired by the Interim Director of Commissioning would undertake responsibility for determining appropriate trajectories and targets

## **RESOLVED**

- (i) The key outcomes required by the Integrated Care Foundation Trust be noted**
- (ii) The responsibility for determining appropriate trajectories /targets lies with the Integrated Care Foundation Trust Contract meeting group be noted.**
- (iii) That subject to the outcome trajectories being met that this will result in an additional payment of £1m for the Integrated Care Foundation Trust in 2019/20, be noted**

## **11 ALLOCATION OF £1.154 MILLION ASC WINTER PLANS FUNDING FOR 2019-20**

Consideration was given to a report of Dr Douglas, Governing Body GP (Ageing Well) / Director of Adult Services introduced a report that sought approval for the delegation to the Director of Adult Services to approve the allocation of funding to voluntary and community sector organisations in consultation with the Director of Operations at the Integrated Care Foundation Trust. Further delegation was sought for the Director of Adult Services for the use of contingency funding to support additional related pressures and proposals that may emerge during the year that would ensure the most appropriate system wide benefits were delivered.

From October 2018 Councils that provided Adult Social Care to support winter pressures for 2018/19, received an allocation of the funding based on the Adult Social Care Relative Needs formula. In January 2019 the Department for Health and Social Care confirmed that the same level of funding (£1.154 million) would be allocated for 2019/20 to assist with pressures faced by the health and social care system over the next winter period. Funding for all proposals to be approved by the Director of Adult Services were to be financed from the total £1.154 million allocation.

The report detailed a number of schemes which sought to reduce social isolation, support people to remain living safely at home and to promote a timely and safe discharge from hospital as follows:

- Block booking 10 transitional care home bed
- In-house home care service
- Trusted Assessor Post in the Integrated Urgent Care Team
- Additional Social Worker Capacity
- Additional Occupational Therapy / Manual Handling Capacity

- Housing Officer based in the Integrated Urgent Care Team
- Projects with the voluntary and community sector
- Winter Package for Reablement
- Offer the Community Response Service (CRS) to avoid admissions and support safe discharge.

#### **RESOLVED**

- (i) That the proposals detailed in section 2 of the submitted report with indicative allocations for each proposal provided in Appendix 1 to the report, be approved.
- (ii) That the Director of Adult Services be authorised to approve the allocation of funding to voluntary and community sector organisations (section 2.8) when the proposals are confirmed and agreed with the Director of Operations at the ICFT.
- (iii) That the use of contingency funding to support additional related pressures and proposals that may emerge during the year be approved to ensure the most appropriate system wide benefits are delivered. All proposals to be financed from the total £1.154 million allocation within the financing arrangements of any contingency requirements that may emerge.

### **12 ESTABLISHMENT OF A SINGLE HANDED CARE TEAM FOLLOWING CONSULTATION**

Consideration was given to a report of the Executive Member for Adult Social Care and Population Health / Director of Adult's Services that sought authorisation to proceed with the establishment of a single handed care team for an initial two year period following a formal consultation process.

The Director of Adult's Services informed the Board that it was the intention to establish a single handed care team to address the perception of social care, hospital and community based assessors, support providers and service users that many care and support interventions which require manual handling could only be delivered safely through the provision of two carers. The purpose of the team would be to reduce the instances of double up staffing in order to undertake safe manual handling activities associated with the provision of care and support.

A consultation exercise had been undertaken for eight weeks ending 15 April 2019, with 38 responses received. Forty per cent of respondents identified themselves as being in receipt of double handed care after they were actively sought by the Council's support at home providers. Responses elicited a range of views from concern and anxiety through to openness to a different approach.

The proposal was estimated to realise annual savings of £1.1 million by 2021/22 based on an estimated non recurrent investment of £0.525 over the period 2019/20 to 2021/22.

#### **RESOLVED**

- (i) That the establishment of a single handed care team be approved.
- (ii) That the non-recurrent sum of up to £0.525 million phased over 2019/20 to 2021/22 to support the establishment of a single handed care team be approved.

### **13 PERMISSION TO SPEND - TENDER FOR THE PROVISION OF A INDEPENDENT MENTAL CAPACITY ADVOCACY SERVICE**

Consideration was given to a report of the Executive Member for Adult Social Care and Population Health / Director of Adult's Services that sought authorisation to re-tender the Independent Mental Capacity Advocacy (IMCA) service on behalf of Tameside, Stockport and Oldham Council on an annual budget of £181,312, split equally between the three Local Authorities, an annual cost of £60,437 to commence on 1 April 2020.

Since the Mental Capacity Act 2005 came into force on 1 April 2007, Tameside had jointly commissioned IMCA provision with Oldham MBC and Stockport MBC. The current five year contract had been in place since 1 April 2015 with Together for Mental Wellbeing providing the service. Each council contributed exactly one third of the contract price. A Service Level Agreement (SLA) between the three councils has been in place throughout, formalising commissioning and contractual arrangements and managing funding streams. Subsequent performance monitoring had continued along these lines and a close working relationship between the three Councils had been developed.

The Independent Mental Capacity Advocacy Service operated generically across a wide variety of service users with mental capacity issues, including people with learning disabilities, dementia, mental health needs and acquired brain injury. Staff practitioners and medics alike make referrals across the three Councils and their local health partners.

#### **RESOLVED**

- (i) That the re-tender the Independent Mental Capacity Advocacy (IMCA) Service for a five year period with a termination period of six month be approved.**
- (ii) That that delegated authority is confirmed for the Director of Adult Services to approve the contract award following the tender.**

#### **14 TENDER FOR SUPPORTED LIVING FOR ADULTS WITH A LEARNING DISABILITY LIVING IN THEIR OWN HOME**

Consideration was given to a report of the Executive Member for Adult Social Care and Population Health / Director of Adult's Services that sought authorisation to tender five contracts for the Provision of Supported Living for Adults with a Learning Disability in Their Own Homes, with a contract commencement date of 1 April 2020.

It was explained that the Learning Disability Supported Living Contracts supported 290 people across 36 properties in the Borough. The accommodation ranged from shared houses to extra care schemes with individual flats. The contracts deliver 24 hour support in terms of a whole life approach that enables people to develop daily living skills and independence, have access to their local community and activities and maintain their health and wellbeing.

The Director of Adults Services advised Members that the re-tender would be carried out via the Greater Manchester Ethical Learning Disability and Autism Flexible Purchasing System which was for high-quality providers that had a track record in delivering person-centred and outcome-focused packages which would support people with learning disabilities and autism to be independent at home, learn new skills and connect with others.

#### **RESOLVED**

**That approval be given to tender five contracts for the Provision of Supported Living for Adults with a Learning Disability in Their Own Homes.**

#### **15 16+ LEAVING CARE SERVICES – SUPPORTED AND INDEPENDENT LIVING SERVICES DYNAMIC PURCHASING SYSTEM (SAILS DPS) – PLACEMENTS NORTHWEST REVIEW.**

Consideration was given to a report of the Deputy Executive Leader for Children and Families and the Director of Children's Services updating Members on the 16+ Leaving Care Services for looked after children accessed via Placements North West.

Placements North West acted as a strategic commissioning service which supported the development of sufficient placements for Looked after Children and Care Leavers across the North

West. Tameside Joint Commissioning and Performance Management Team had been lead commissioners in developing the Supported and Independent Living Services Dynamic Purchasing System on behalf of the other Local Authorities.

Issues relating to the quality of suppliers attempting to join the Supported and Independent Living Services Dynamic Purchasing System were considered at a North West Commissioners meeting held on 19 July 2018, where it was agreed to suspend the Supported and Independent Living Services Dynamic Purchasing System in order to carry out a review of its operation. Following review and consultation North West Commissioners recommended to replace the current system with a Flexible Purchasing System with a higher specification and more rigorous evaluation criteria.

#### **RESOLVED**

- (i) That the utilisation of the second year of the approved extension period to allow for Placements North West to establish the procurement process for the new Flexible Purchasing System, transfer of existing suppliers to the new Flexible Purchasing System and any contingency planning, be noted.**
- (ii) That the securing by Placements North West and regional commissioners of a procurement team who will work on a new purchasing system, acknowledging that Placements North West will be leading on the project, be noted.**
- (iii) That the establishment by Placements North West of a working group to develop the revised standards and due diligence for the new Flexible Purchasing System, be noted.**
- (iv) That the establishment by Placements North West and regional commissioners of a consultation process with the market and Care Leavers, be noted.**
- (v) That further work is being undertaken by Placement North West to understand these providers and their current activity and Tameside will review placement activity for the borough, be noted.**
- (vi) That a subsequent report will be completed in respect of the FPS and Tameside Councils sign up to the new agreement, be noted.**
- (vii) That the improving the standard and quality of accommodation for Care Leavers should be deemed an essential priority of any commissioning arrangements, be noted.**

**CHAIR**

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## STRATEGIC PLANNING AND CAPITAL MONITORING PANEL

8 July 2019

**Present:** Councillors Warrington (Chair), Cooney, Fairfoull, Feeley, McNally, Ryan and Dickinson

**In Attendance:**

Sandra Stewart	Director of Governance and Pensions
Kathy Roe	Director of Finance
Jayne Traverse	Director of Growth
Emma Varnam	Assistant Director of Operations and Neighbourhoods
Tom Wilkinson	Assistant Director of Finance

**Apologies for Absence:** Councillors Newton and Reid

### 1 DECLARATIONS OF INTEREST

There were no declarations of interest.

### 2 MINUTES

Consideration was given to the minutes of the meeting of the Strategic Commissioning Board held on 11 March 2019.

#### RESOLVED

**That the minutes of the meeting of the Strategic Commissioning Board held on 11 March 2019 be approved as a correct record and signed by the Chair.**

### 3 VISION TAMESIDE PHASE 2 - PROGRESS UPDATE

Consideration was given to a report of the Director (Operations & Neighbourhoods) seeking a recommendation of approval for virements relating to Vision Tameside and updating Members on the successful completion of the Vision Tameside Phase 2 development.

The Director of Operations advised Members of the budget position for the Vision Tameside Phase 2 programme and the required virements to ensure that the overall spend of the programme stayed within approved funding.

Following the liquidation of Carillion a revised funding envelope was agreed at Executive Cabinet in March 2019 for the overall Vision Tameside project. The revised budget approved was £62.99m, including the remaining construction costs, public realm and contingency costs.

The project had been managed through the Council's contract with Inspired Spaces Tameside Limited and externally validated by Cushman and Wakefield who undertook Value for Money Assessments and Project Monitoring, thus ensuring the Council's fiduciary duty to the public purse was protected.

#### RESOLVED

**That Executive Cabinet be recommended to approve the virements and the revised budget set out in paragraph 4.4 and Table 1 in section 4 of the submitted report.**

#### **4 CAPITAL OUTTURN 2018/19**

Consideration was given to a report of the Executive Member for Finance & Economic Growth / Director of Finance summarising the 2018/19 capital expenditure monitoring position at 31 March 2019, based on information provided by project managers. The report detailed actual capital investment in 2018/19 of £51.545m at March 2019. This was significantly less than the original budgeted capital investment for 2018/19, and is in part due to project delays that are being experienced following the temporary pause to the Capital Programme.

Service areas had spent £51.545m on capital investment in 2018/19, which was £5.899m less than the current capital budget for the year. This slippage was spread across a number of areas, and was in part due to project delays now being experienced as a result of the temporary pause on the capital programme and the liquidation of Carillion who, through the Local Education Partnership (LEP) had been delivering or managing a number of key projects.

The Director of Finance advised Members that at the meeting of Executive Cabinet held on 26 June 2019 approval had been given to the re-profiling of £5.810m into the next financial year as identified within the individual service area tables in Appendix 3 to the report. Once re-profiling has been taken into account, capital investment was forecast to be £0.089m less than the capital budget for the year.

#### **RESOLVED**

- (i) That the reprofiling of £5.810m of capital budgets as set out in Appendix 3 to reflect up to date investment profiles be approved.**
- (ii) That the changes to the Capital Programme as set out in Appendix 1 be approved.**
- (iii) The updated Prudential Indicator position set out in Appendix 5 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**

#### **5 FINANCE AND IT CAPITAL UPDATE 2018/19**

Consideration was given to a report of the Executive Member for Finance and Economic Growth / Director of Finance summarising progress in relation to the delivery of the Council's capital investment programme in the Finance and IT Directorate.

The Director of Finance informed Members that all areas of spend were within budget, specifically highlighting that the finance investments in Manchester Airport were delivering revenue benefits to the Council which support the Medium Term Financial Plan.

Members were advised that the Digital Tameside Investment programme was on target to meet required deadlines. The programme included significant approved and anticipated grant funding from the Department of Digital, Culture, Media and Sport. The grant funding required the Council to submit quarterly returns to the Department and to comply with the terms and conditions of grant, which was time limited. Failure to progress schemes and drawdown grant within the agreed timescales may result in a loss of available funding.

#### **RESOLVED**

**That the report be noted.**

#### **6 CAPITAL PROJECTS - GROWTH**

Consideration was given to a report of the Executive Member for Finance and Economic Growth / Director of Finance providing an update on Growth Directorate capital programmes and seeking a recommendation to Executive Cabinet for the inclusion of additional items to be included within the



Council's capital programme. The Director of Growth advised Members of an additional recommendation to the submitted report, seeking £0.100m of the £10.000m earmarked budget for Ashton Town Hall to be released to fund further market testing and feasibility works.

The Director of Growth informed Members that £4,251,885 including the current financial year's allocation from Ministry of Housing, Communities and Local Government of £2,511,180 was available for the Disabled Facilities Grant and Other Related Adaptations. The Capital programme budget for 2019/2020 included funding allocated to Housing Adaptations and financial support for three schemes being promoted by Adult Services. To fund this expenditure £1,508,000 had been re-profiled from 2018/2019 and £1,137,000 of the 2019-20 allocation from MHCLG would be added to the capital programme. The total budget for non-adaptation works was £999,289 including repayments from previous capital schemes. The Director of Growth proposed two new discretionary repair schemes be allocated £100,000 each from within the budget, an over 65 Stay Put Scheme and a Home Repair Assistance for vulnerable families.

The Director of Growth provides details of the corporate landlord capital expenditure in regard to statutory compliance repairs on the Councils buildings totalling £155,723.84. The works had been required to ensure compliance which had been informed during monitoring checks of the sites.

Members were advise that as at 30 April 2019 the position of section 106 Agreements was £1,182,000 in credit. The position for Developer Contributions was £131,000 in credit, less approved allocations of £42,000, leaving a balance of £89,000. The Director of Growth advised that £69,480 was requested to be drawn down from the Community Education Developer Contribution fund in relation to the expansion of primary school places at Yew Tree School.

#### **RESOLVED**

**That Executive Cabinet be recommended:**

- (i) That a sum of £1.137m of 2019/2020 funding from Ministry of Housing, Communities and Local Government for adaptations as detailed within the submitted report be approved.**
- (ii) That a sum of £0.200m for non-adaptations as set out in sections 2.7 and 2.9 of the submitted report be approved.**
- (iii) That the corporate landlord capital expenditure associated with statutory compliance capital work of £0.156m as detailed within section 2.22 of the submitted report, be approved.**
- (iv) That the section 106 education contribution of £0.069m as detailed in 2.30 of the submitted report be approved.**
- (v) That £0.100m of the £10.000m earmarked budget for Ashton Town Hall is released to fund further market testing and feasibility works**

## **7 INVESTING IN CHILDREN'S PLAYGROUNDS**

Consideration was given to a report of the Executive Member of Neighbourhoods, Community Safety and Environment / Assistant Director for Operations and Neighbourhoods setting out improvements required to children's playgrounds across Tameside and seeking approval of £600,000 spend to the play equipment, safety surfacing, and infrastructure of playgrounds across the Borough

The Assistant Director for Operations and Neighbourhoods advised that all 37 play areas would see some benefits and there would be reduced risk of successful claims against the Council.

#### **RESOLVED**

**That Executive Cabinet be recommend to approve the £600,000 spend for the children's playgrounds as detailed within the report.**

## 8 LEISURE ASSETS CAPITAL INVESTMENT PROGRAMME

Consideration was given to a report of the Executive Member for Adult Social Care and Population Health / Director of Population Health summarising the delivery of the Council's capital investment programme to improve sports and leisure facilities and seeking a recommendation for the approval of a Floodlight Replacement scheme to be included within the Council's capital programme for 2019/20.

The Director of Population Health advised Members that the athletic facility, off Richmond Street in Ashton, is owned by the Council and leased to East Cheshire Harriers Athletic Club. The lease, which runs until 2031, places the onus on the club to maintain the facility and keep the grounds in good order. The floodlights, which illuminate the running track and infield were circa 35 years old and had reached the end of their useful life and need to be replaced. The replacement of the floodlights was the responsibility of the club under the terms of the existing lease but they need to obtain landlord's consent. In keeping with the lease, the club intended to replace the 8 floodlights, including the 17m columns using its own financial resources supplemented by a grant from Sport England. The club did not have the technical expertise to deliver the floodlight replacement scheme which included a 3 phase 415v power supply which needed specialist input. Consequently the club had approached the Council as Landlord to deliver the scheme on their behalf. The cost to the Council would be in relation to providing technical support to deliver the scheme.

Members sought clarification as to the number of Tameside residents who benefit from and use the facilities. The Director of Population Health undertook to ensure that the catchment area of the club maximised availability to residents of Tameside.

The Director of Population Health advised Members that in relation to the replacement of the Active Hyde Wave machine a technical assessment is under way to determine if the installation can take place without draining the pool thereby maintaining attendances and associated income levels for Active Tameside. In relation to the Active Hyde Pool Extension tenders were being evaluated and would be reported in due course. Members were advised that the Tameside Wellness Centre scheme was progressing well and expected completion on schedule. The Active Medlock synthetic turf pitch replacement scheme was being evaluated and would be reported in due course.

### **RESOLVED**

**That Executive Cabinet be recommended to approve the floodlight replacement scheme off Richmond Street in Ashton subject to funding from Sport England and East Cheshire Harriers being provided as detailed within the submitted report.**

## 9 EDUCATION CAPITAL PROGRAMME - UPDATE

Consideration was given to a report of the Deputy Executive Leader and Executive Member / Director of Children's Services advising the Strategic Planning and Capital Monitoring Panel on the latest position with the delivery of the Council's Education Capital Programme and seeking the recommendation to Executive Cabinet of proposed changes to the Education Capital Programme.

The Strategic Planning and Capital Monitoring Panel were informed that work is currently on-going to ensure that sufficient places are available in both Primary and High Schools for September 2018 and September 2019 and whilst delays were experienced as a result of the liquidation of Carillion, contingency plans had been developed in partnership with schools to ensure there is minimal disruption to learning where it is evident that schemes could not be delivered within the timescales available.

Members were informed the Council had £13,995,524 of Basic Need Funding available to spend in 2019/20. Notification has been received of an additional allocation of £4,842,699 for 2019/20 to be added to the Council's capital programme and nil allocation for 2020/21. The grant had been earmarked for schemes totalling £7,751,324 which have previously been reported to Strategic

Planning and Capital Monitoring Panel and are included on the Council's capital programme. The submitted report identified proposed changes of £1,322,000 bringing the total value of earmarked schemes to £9,073,324.

In relation to the School Condition Allocation funded the Council had £2,377,774 of School Condition funding available to be spent during the 2019/20 financial year, to improve and maintain the school estate. The Director of Children's Services identified that grant had been earmarked for schemes totalling £1,444,000.

## **RESOLVED**

**That the Executive Cabinet be recommended**

- (i) To approve the proposed changes to the Education Capital Programme, as outlined in Appendix 1 (Basic Need Funding Schemes) and Appendix 2 (School Condition Allocation Funding Schemes) of the submitted report.**
- (ii) That the risks highlighted in Section 5 of the report are noted.**
- (iii) To approve additional Devolved Formula Capital of £685,902 for 2018/19 and £344,294 2019/20 Devolved Formula Capital to be added to the Council's capital programme and thereon made available to schools on request, as referenced in section 2.9 of the submitted report.**
- (iv) To approve £4,842,699 2019/20 Basic Need allocation and £1,153,000 of 2019/20 School Condition grant to be added to the Council's capital programme, as referenced in section 2.4 and 2.7 respectively of the submitted report.**

## **10 OPERATIONS AND NEIGHBOURHOODS CAPITAL**

Consideration was given to a report of the Executive Member for Neighbourhoods / Assistant Director of Operations and Neighbourhoods which updated Members on the 2019/20 Operations and Neighbourhoods Capital Programme and sought a recommendation that additional grant funding from the Department for Transport Highways Maintenance Grant, Incentive Fund and Pothole Fund be added to the Council's Capital Programme to deliver the highway works programme.

The Assistant Director of Operations and Neighbourhoods advised Members that the Department for Transport Highways Maintenance Grant was allocated to each highways authority is based on the length of the local road network. For Tameside MBC the allocation was £1.029m for use in 2019/20. The Department for Transport roads element, along with the 2019/20 Transport Asset Management Plan allocation of £5.250m would be used to deliver the highway works programme as set out in Appendix 1 of the submitted report. Any schemes not completed due to adverse weather conditions or for programming decisions in relation to traffic management issues will be re-programmed to be completed as soon as possible.

## **RESOLVED**

**That Executive Cabinet be recommended that the additional capital grant funding set out in paragraph 3.7, Table 4 of the submitted report.**

**Chair**

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<b>Report to:</b>	<b>STRATEGIC COMMISSIONING BOARD</b>
<b>Date:</b>	24 July 2019
<b>Executive Member/Reporting Officer:</b>	Cllr Gerald P Cooney – Executive Member (Housing, Planning and Employment) Emma Varnam – Assistant Director, Operations & Neighbourhoods
<b>Subject:</b>	<b>UPDATE ON HOMELESSNESS, ROUGH SLEEPING IN TAMESIDE &amp; THE "A BED EVERY NIGHT" SERVICE</b>
<b>Report Summary:</b>	This report provides an update on rough sleeping in Tameside, the work undertaken to tackle rough sleeping & the “A Bed Every Night” (ABEN) service.
<b>Recommendations:</b>	Strategic Commissioning Board to receive the report with following recommendations for Cabinet: <ol style="list-style-type: none"><li>1. to acknowledge the success of the ABEN and wider rough sleeping service and to support to the development of work of the service.</li><li>2. Agree to the immediate identification of an alternative venue for the ABEN Service.</li><li>3. Cease the delivery of ABEN Service at Ryecroft Library and transfer to a new location as soon as practically possible.</li><li>4. to acknowledge the welcome announcement of financial support for the ABEN from the GM Joint Commission Board allowing for a joined up response across the public sector of healthcare and housing need.</li></ol>
<b>Corporate Plan:</b>	Provision of services for rough sleepers supports the corporate plan by helping some of the most vulnerable residents of the borough to live well through nurturing communities.
<b>Policy Implications:</b>	Provision of services for rough sleepers contributes significantly to the delivery of the Council's “Preventing Homelessness Strategy 2018-2021” in tackling rough sleeping head-on and providing positive long-term outcomes for those accessing the service. This strategy was approved by the Council in September 2018.
<b>Financial Implications: (Authorised by the statutory Section 151 Officer &amp; Chief Finance Officer)</b>	The ABEN service is currently funded in its entirety by grant funding which has been confirmed to run until at least June 2020. If this funding ceases after June 2020 a review of the service provided within Tameside will need to be carried out. As stated in the report, the service also receives an additional grant: Rough Sleeping Initiative funding from MHCLG which funds specific schemes.  Currently, the costs of using Ryecroft Hall are funded through ABEN, however any set up costs of a new hub would need to be assessed once an appropriate building has been identified.
<b>Legal Implications: (Authorised by the Borough Solicitor)</b>	Whilst there is no statutory requirement to provide overnight accommodation for rough sleepers unless they meet the criteria set out in the Homelessness Reduction Act 2017 (with effect from 3 April 2018), Central and Local Government strategy is to work

to devise mechanisms to reduce numbers, and so any funding received to support these strategies must be used appropriately and in accordance with the same. Data is required to be collated and analysed under the Act, and so compliance with strategies is monitored nationally. It would be helpful to demonstrate that whilst a priority service it is providing value for money on the significant cost avoidance it achieves particularly for partner organisations.


**Risk Management:**

Failing to provide services aimed at tackling rough sleeping could lead to a rise in the number of rough sleepers across the borough and an increase in vulnerability for those at risk of rough sleeping.

**Access to Information:**

<b>APPENDIX 1</b>	infographic of key info re bed for a night service.
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The background papers relating to this report can be inspected by contacting the report author John Gregory – Head of Community Safety & Homelessness:

 Telephone - 0161 342 3520

 E-mail: [john.gregory@tameside.gov.uk](mailto:john.gregory@tameside.gov.uk)

## **1. INTRODUCTION**

- 1.1 Homelessness and rough sleeping have significantly increased over the past decade, both regionally and nationally as well as locally within Tameside. Government figures show that there were 1768 people sleeping rough in England in 2010, a figure which rose to 4677 by 2018.
- 1.2 Although the figures are much higher in city centre locations, every town & borough in the UK has its own rough sleeping problem – in Tameside, there were 7 people rough sleeping across the whole borough in 2012, but this had risen to 42 by 2017.
- 1.3 There are many reasons why some people end up sleeping rough – poverty, unemployment, drug & alcohol addiction, debt, family breakdowns, mental health and a wide range of other issues can result in our most vulnerable residents being on the street with no prospect of obtaining a place to live or even a bed for the night.
- 1.4 Local Authorities have a statutory duty to house certain people who are homeless, but this duty does not cover people who are considered “intentionally homeless” or who do not have a “priority need” – for example those who have been evicted for failing to pay rent, or for tenancy issues related to drug/alcohol issues. Some people have no recourse to public funds, and as such the Authority is unable to house them, which can also result in people having no other option but to sleep rough.
- 1.5 Sleeping rough brings with it a wide range of risks for people who are already extremely vulnerable. Spending just one night on the streets will make a person feel unwell. Spending numerous nights out – with little or no prospect of getting off the streets, can very quickly lead to serious physical and mental health problems. If addiction is the primary cause of someone rough sleeping, then sleeping rough will tend to increase their use of drugs or alcohol in order to mask the situation they find themselves in. Even those with no addiction issues can very quickly be drawn into drug and/or alcohol use once they start sleeping rough.
- 1.6 Rough sleepers are also vulnerable to abuse & exploitation and are much more likely to become victims of crime.
- 1.7 Rough sleeping is a key priority contained within the Tameside corporate plan under the heading of “nurturing communities”.
- 1.8 Rough sleeping was likely to continue to increase in Tameside and across Greater Manchester unless significant action was taken.

## **2. ROUGH SLEEPING INITIATIVE**

- 2.1 In 2018/19, Tameside Council successfully applied for a grant under a new scheme announced by the Ministry of Housing, Community & Local Government (MHCLG) – the “Rough Sleeping Initiative” (RSI).
- 2.2 The 2018/19 grant was £309,115 and was used to implement several schemes designed to tackle rough sleeping in Tameside during 2018/19.
- 2.3 The schemes funded by this grant include the employment of specific members of staff tasked with co-ordinating work to tackle rough sleeping, additional outreach workers, additional accommodation units, winter provision and a rent guarantor scheme.
- 2.4 The RSI work has been closely monitored by MHCLG and Tameside has recently been granted a further £420,000 for 2019/20.

### **3. “A BED EVERY NIGHT” (ABEN)**

- 3.1 When he was elected as Mayor of Greater Manchester in May 2017, Andy Burnham made tackling homelessness and rough sleeping a top priority. As part of his pledge to tackle rough sleeping, he started the Mayor’s Homelessness fund – a charitable fund designed from the outset to help deal with homelessness & rough sleeping across Greater Manchester.
- 3.2 In Spring 2018, the GM Mayor approached all 10 GM authorities with a proposal to introduce an innovative new scheme called “A Bed Every Night” (ABEN). The Mayor asked for assistance from the Authorities in offering a bed in a safe, warm environment every night between 1 November 2018 and 31 March 2019 for anyone who was rough sleeping.
- 3.3 Funding for the scheme would come from the Mayor’s homeless charity, but the scheme would be managed and operated by each individual GM Local Authority. Authorities were free to design their own services, without excessive interference from the Combined Authority.
- 3.4 Every winter, until the winter of 2017/2018, Tameside, along with all other Local Authorities was statutorily obliged to provide shelter for all rough sleepers if the temperature fell below freezing. The opportunity to extend this provision throughout the winter months was seen as a significant opportunity to provide a much improved winter service for rough sleepers in Tameside.
- 3.5 Work commenced over the summer of 2018 to design an ABEN service for Tameside and to identify premises in which rough sleepers could be accommodated. Working with the third sector, two church halls – St Christopher’s in Ashton and Union Church in Hyde - were identified as appropriate buildings & agreement was reached with both churches that they would be used alternately for the ABEN provision in Tameside for the six month proposed period of the scheme.
- 3.6 Provision at the Churches was basic; single camp beds in a dormitory style with very little in the way of luxury, but service users would be provided with clean bedding, a place to wash & shower, and a basic meal in the evenings and mornings. The service would only be available between 9.00pm and 9.00am, but would be open every night, irrespective of the weather conditions.
- 3.7 In the last week of October 2018, an official rough sleeper count was carried out & 36 individuals were found to be sleeping rough in Tameside – 6 less than the count earlier in the year, but still a significant number. It was unknown at this time how popular the ABEN service was likely to become, but 20 bed spaces were immediately available for male rough sleepers, with provision for the much smaller number of females to be given in bed & breakfast accommodation.
- 3.8 Through November, the number of people accessing the service quickly grew. In mid-December, it became clear that the space available in the churches would soon be insufficient & that a further building was required if the Council were to fulfil its commitment to provide a bed every night for all rough sleepers.
- 3.9 After considering – and rejecting – a number of possible options, the old library building in the grounds of Ryecroft Hall was identified as a suitable location. The building had only recently been vacated by a pupil referral unit, it was in good condition, was safe and easily accessible. There was also enough room to accommodate any additional rough sleepers who could not be accommodated at the church halls.



- 3.10 Beds and supplies were taken to the Ryecroft building during the week before Christmas, but no-one was accommodated there until the new year, when numbers of people presenting as rough sleeping started to rise again.
- 3.11 By late February, the service (across all sites) was accommodating between 32 and 36 people every night. In addition to the simple fact that these individuals were accommodated overnight, the service started to demonstrate a number of other longer term advantages.
- 3.12 Many of the rough sleepers had not had any kind of home for a number of years, but having access to the ABEN scheme allowed them to start to form some routines in their lives – routines which many of them had struggled to build for a long time.
- 3.13 Having the majority of the boroughs rough sleeping population in one or two places every night allowed the Homelessness team to build support around the service users much more effectively than they had ever done before. Drug & alcohol rehabilitation, housing options, welfare support and physical & mental health services could all be delivered to the service users whose previous chaotic lifestyles meant they were often unable to attend appointments and would often “fall off the grid”.
- 3.14 Most significantly of all, however, was the opportunity to work regularly and importantly build trust with service users to try to get them into more permanent accommodation. It is this area of work, which is probably the most significant success of the service. Since 1 November 2018, more than 40 ABEN service users have been moved into more permanent accommodation, and no longer need the short-term hostel accommodation offered by the ABEN service.
- 3.15 A large proportion of the success of the Tameside ABEN scheme is down to the assistance of a number of charitable partners, who have brought not just help and assistance, but also a breadth of knowledge of the Tameside rough sleeping population, and the ability to connect with even the most entrenched rough sleepers – some of whom would not want to engage with “officials”.
- 3.16 The service has also evolved since starting in November 2018. In the early days, some rough sleepers were excluded from the scheme because of choices they made. For example, there was no provision for couples, or rough sleepers with pets. As the service continued to develop, provision for both these groups was established.
- 3.17 A rough sleepers count was carried out in the last week of March 2019, and in 6 months, the number of rough sleepers in Tameside had fallen by 2/3rds from 36 to 12. A further count was carried out on the night of 30/31 May, and the number had fallen further to 9.
- 3.18 No other programmes in recent years have led to such a significant reduction in the numbers of rough sleepers in Tameside, and the Tameside scheme has been praised by the Combined Authority as a trailblazing scheme which has had an overwhelmingly positive effect.
- 3.19 Please see **Appendix A** for the ABEN Infographic.

#### **4. CONTINUATION OF THE ABEN SERVICE**

- 4.1 The initial request from the GM Mayor was for the ABEN service to operate as a pilot scheme during the winter months of November 2018 to March 2019.
- 4.2 As the successes of the service became more and more apparent, by early February, Authorities across Greater Manchester were beginning to realise that ending the service in

March would cause serious problems for the service users, who would likely go back to sleeping rough, with all the problems associated with returning to the streets. Discussions started to take place about how to continue the service beyond 31 March 2019.

- 4.3 In Mid-March, Andy Burnham announced that he was attempting to identify additional funding streams which would allow the service to continue throughout the year. In the meantime, he announced that funding would continue, so that the service could remain operational until the end of May 2019.
- 4.4 In late May 2019, the Mayor announced further additional funding which would allow ABEN to move into “phase 2”. The funding will remain in place until 1 June 2020, so the service now has a clear 12 months ahead, to allow authorities to build on the significant successes of the first phase.
- 4.5 Continuation of the ABEN service also contributes significantly to the delivery of the Council’s “Preventing Homelessness Strategy 2018-2021” in tackling rough sleeping head-on and providing positive long-term outcomes for those accessing the service. This strategy was approved by the Council in September 2018.

## **5. ISSUES**

- 5.1 The scheme has not been without its problems, however. The rough sleeping population contains a number of individuals with serious addiction issues, mental health problems, criminal histories and other problems, which in many cases have been the cause of their homelessness in the first place. These issues can and do occasionally result in minor instances of disorder and anti-social behaviour occurring both inside and outside the ABEN sites.
- 5.2 Understandably, local residents living close to the ABEN sites, have expressed their concerns about a homeless hostel opening close to their homes. Some have been quite vocal in expressing their concerns, particularly in relation to the proximity of the site to a public park and children’s playground. Protests have been held, a petition has been organised and residents have written to local Elected Members and MPs with their concerns.
- 5.3 Measures have been put in place in an attempt to alleviate the residents’ concerns. The site is now staffed by security guards during the day as well as at night, to prevent service users from hanging around outside the building or in the vicinity of the park. Residents are carefully selected for the Ryecroft site in an attempt to ensure only the most settled individuals stay there until they can be rehoused.
- 5.4 Despite these measures, however, Residents continue to express their concerns. Had the service ended as planned on 31 March 2019, this would no longer be an issue, but with the announcement that the service has now been extended to June 2020, the use of Ryecroft library now needs to be immediately reviewed.
- 5.5 To further compound the current accommodation issues, Union Church in Hyde have now given notice that they can no longer allow their church hall to be used for the ABEN service, as they require the hall for their own use over the summer.
- 5.6 The search is on for a more appropriate premise from which to operate the ABEN service. Any such move needs to be carefully planned in order to minimise any potential disruption to local residents and to the ABEN service users.

- 5.7 There are currently a number of empty and unused nursing homes within the borough. These homes could provide a suitable location for the service, providing the locations are deemed appropriate & the buildings are fit for purpose.
- 5.8 It should also be noted that all ABEN service users are accommodated within the service as their only other option would be to sleep rough, with all the risks associated with rough sleeping. Any change in location would, therefore require the new location to be complete and ready before any service users were asked to leave Ryecroft. Failing to do so would lead to serious issues for some very vulnerable individuals.

## **6. THE WIDER HOMELESSNESS PICTURE**

- 6.1 Rough sleeping is not the only issue faced by the homelessness service and, in fact, could be considered to be the “tip of the iceberg”.
- 6.2 Multiple issues such as poverty, universal credit, rogue landlords, domestic breakdowns and abuse have led to a significant rise in the numbers of families and individuals becoming homeless or at risk of becoming homeless.
- 6.3 In 2017, 560 people or families were officially homeless in Tameside – a figure which was more than double that of two years previously and which is set to continue to rise over the next few years. 160 families are currently living in temporary accommodation with demand for homes greatly outstripping supply.
- 6.4 Tameside Council commissions its homelessness service and that commission is currently held by Jigsaw Homes (formerly New Charter). Since New Charter was amalgamated with Jigsaw Homes, there is uncertainty about Jigsaw Homes continuing to provide this service beyond the end of the current contract in 2020.

## **7. THE FUTURE OF THE ABEN SERVICE**

- 7.1 The TMBC Homelessness service has ambitions for the ABEN service to be a part of a cutting edge provision for rough sleepers which not only provides them with an initial place to stay, but which also wraps services around the hostel provision & works with individuals to tackle their problems, improve their health & wellbeing and get them back into suitable long-term housing.
- 7.2 Now that ongoing funding has been confirmed, together with the RSI funding, these ambitions are much more realistic and the Head of Service is keen to progress with the further development of these proposals.
- 7.3 Once a new ABEN site has been identified, the proposal is that the site becomes a permanent rough sleeping “resource”, staffed day and night with skilled people who are able to engage with the rough sleeping community & offer whatever support is needed. Establishment of the resource centre will be based on the recognition of the complex nature of the problems which lead to rough sleeping and will employ an early intervention model in tackling these issues & supporting people not only back into housing, but in improving their quality of life over the long term, rather than just the short term. The recent announcement of support from the GM Joint Commissioning Board will ensure that healthcare needs will be met in a timely and holistic manner and ensure that homeless families and individuals have appropriate care preventing an escalation of conditions.
- 7.4 A number of options for “move-on” accommodation are also currently being explored. If additional move-on accommodation can be identified, this will reduce the number of people

accessing the ABEN service & will go some way towards accommodating rough sleepers in a more permanent location, rather than the simple hostel-like provision in ABEN.

## **8. RECOMMENDATIONS**

8.1 As set out at the front of the report.


<b>Report to:</b>	<b>EXECUTIVE BOARD</b>
<b>Date:</b>	3 July 2019
<b>Executive Member/Reporting Officer</b>	Councillor Oliver Ryan – Executive Member for Finance and Economic Growth Kathy Roe – Director of Finance
<b>Subject:</b>	<b>STRATEGIC COMMISSION AND NHS TAMESIDE AND GLOSSOP INTEGRATED CARE FOUNDATION TRUST – CONSOLIDATED 2019/20 REVENUE MONITORING STATEMENT AT 31 MAY 2019</b>
<b>Report Summary:</b>	<p>For the 2019/20 financial year the Integrated Commissioning Fund is currently forecasting net spend of £619,213k against a net budget of £613,693k, a forecast over spend of £5,520k.</p> <p>Two months into the new financial year, this first report is an early look at emerging issues. A detailed monitoring report will be prepared at month 3 but there are already some significant budgetary pressures in Children’s Services, and continuing income shortfalls in Growth and Operations and Neighbourhoods. Urgent action is needed to address these pressures or identify additional savings if the financial plan for 2019/20 is to be delivered.</p>
<b>Recommendations:</b>	Members are asked to note the Month 2 forecast for the Strategic Commission 2019/20 financial plan.
<b>Links to Community Strategy:</b>	Budget is allocated in accordance with the Community Strategy
<b>Policy Implications:</b>	Budget is allocated in accordance with Council Policy
<b>Financial Implications:</b> <b>(Authorised by the statutory Section 151 Officer &amp; Chief Finance Officer)</b>	<p>This report provides the month 2 consolidated financial position statement at 31 May 2019. The report at Appendix 1 provides further detail on the emerging budget pressures.</p> <p>It should be noted that the Integrated Commissioning Fund (ICF) for the Strategic Commission is bound by the terms within the Section 75 and associated Financial Framework agreements.</p>
<b>Legal Implications:</b> <b>(Authorised by the Borough Solicitor)</b>	Given the implications for each of the constituent organisations this report will be required to be presented to the decision making body of each one to ensure good governance.
<b>Risk Management:</b>	<p>Associated details are specified within the presentation.</p> <p>Failure to properly manage and monitor the Strategic Commission’s budgets will lead to service failure and a loss of public confidence. Expenditure in excess of budgeted resources is likely to result in a call on Council reserves, which will reduce the resources available for future investment. The use and reliance on one off measures to balance the budget is not sustainable and makes it more difficult in future years to recover the budget position.</p>

**Access to Information :**

<b>APPENDIX A</b>	Detailed breakdown of financial position of the Tameside and Glossop economy to 31 May 2019
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Background papers relating to this report can be inspected by contacting :

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## 1. BACKGROUND

- 1.1 This report provides an overview on the financial position of the Tameside and Glossop economy to 31 May 2019. Supporting details for the whole economy are provided in the main body of the report at **Appendix A**.
- 1.2 The report includes the details of the Integrated Commissioning Fund (ICF) for all Council services and the Clinical Commissioning Group.
- 1.3 It should be noted that the report also includes details of the financial position of the Tameside and Glossop Integrated Care NHS Foundation Trust. This is to ensure members have an awareness of the overall Tameside and Glossop economy position. Reference to Glossop solely relates to health service expenditure as Council services for Glossop are the responsibility of Derbyshire County Council.
- 1.4 Please note that any reference throughout this report to the Tameside and Glossop economy refers to the three partner organisations namely:
- Tameside and Glossop Integrated Care NHS Foundation Trust (ICFT)
  - NHS Tameside and Glossop CCG (CCG)
  - Tameside Metropolitan Borough Council (TMBC)

## 2. FINANCIAL SUMMARY

- 2.1 For the 2019/20 financial year the Integrated Commissioning Fund is currently forecasting net spend of £619,213k against a net budget of £613,693k, a forecast over spend of £5,520k.
- 2.2 Two months into the new financial year, this first report is an early look at emerging issues. A detailed monitoring report will be prepared at month 3 but there are already some significant budgetary pressures in Children's Services, and continuing income shortfalls in Growth and Operations and Neighbourhoods. Urgent action is needed to address these pressures or identify additional savings if the financial plan for 2019/20 is to be delivered.

### Children's Services

- 2.3 Children's services is currently forecasting an overspend of £4,258k in 2019/20. The significant aspect of the projected variance relates to placements expenditure. The number of looked after children when establishing the 2019/20 budget was 648 (December 2018). However, Members should note that the number of looked after children has since increased to 685 at 31 May 2019 – an increase of 5% during this period. The projection assumes the current cost of all existing placements for the remainder of the financial year with an assumption for a further slight increase in month 3, again for the remainder of the year.
- 2.4 The directorate is evaluating a number of initiatives to reduce the number and related costs of looked after children, the details of which will be reported in further detail at period 3 monitoring. These include:
- targeting earlier intervention to support children and families via existing embedded service initiatives such as edge of care and family group conferencing
  - a redesign of the Family Intervention Service to deliver intensive support at the early signs of family breakdown
  - increasing the seniority level for the approval of residential placements to ensure all other care options have been considered
  - an urgent review of care provision sufficiency within the borough
  - the implementation of a completed placements commissioning strategy review

- a review of the existing local authority residential estate for potential change of provision of one home to a short term assessment unit with a focus on either rehabilitation back to home and/or family or to support the identification of appropriate longer term placement arrangements
- the evaluation of an in borough planned / emergency respite unit to prevent family breakdown and admission to care
- a targeted senior management lead review of discreet cohorts of Looked After Children is now underway to ensure current placement arrangements, care plans and legal status are appropriate to need.

In addition, the now stabilised directorate senior leadership team will be reviewing the number and duration of budgeted posts within the service establishment to reduce the level of projected expenditure for existing vacant positions.

### **3. RECOMMENDATIONS**

- 3.1 As stated on the front cover of the report.



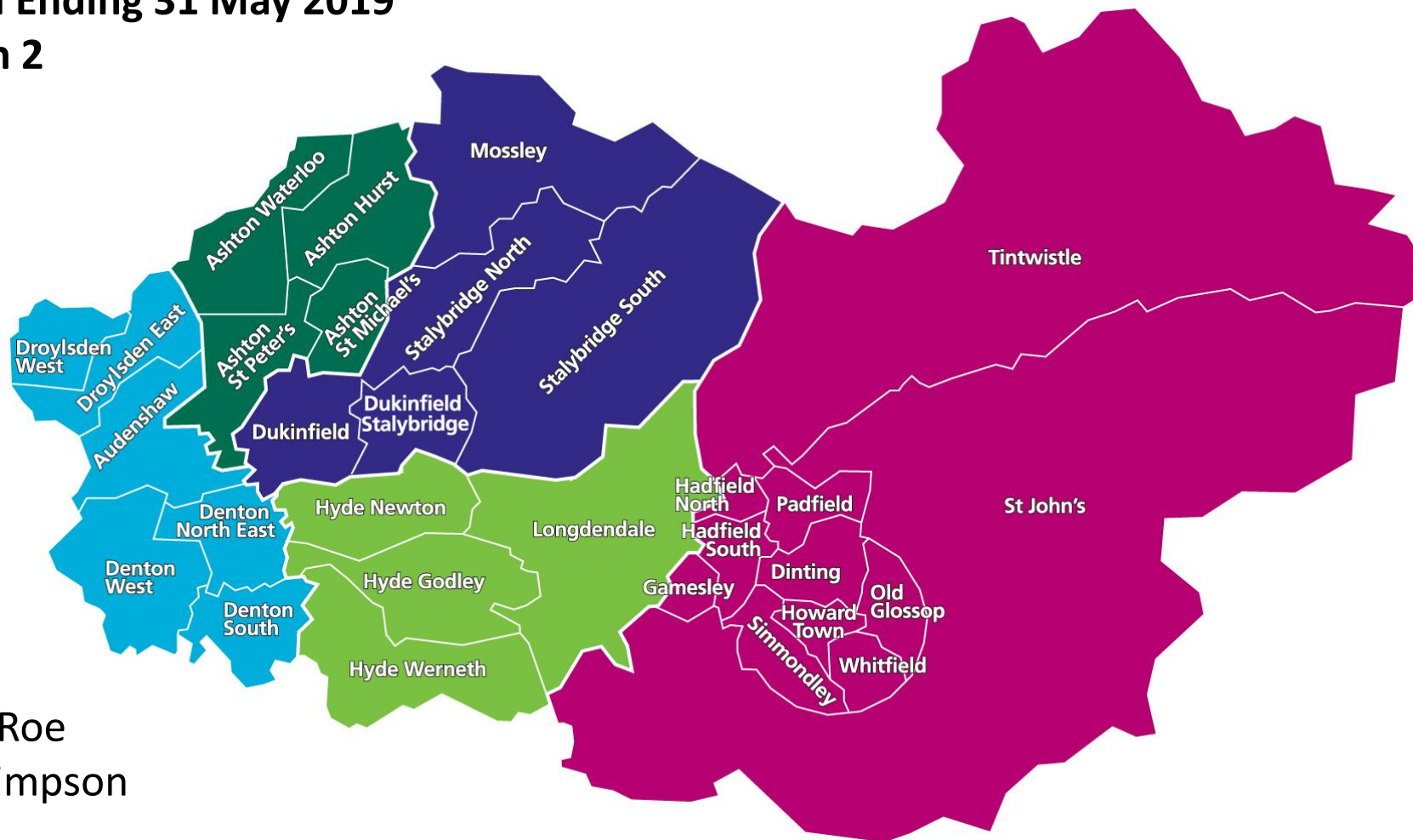
# Tameside and Glossop Integrated Financial Position

*financial monitoring statements 2019/20*

Period Ending 31 May 2019

Month 2

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Kathy Roe  
Sam Simpson

## Integrated Financial Position Summary Report

Economy Wide Financial Position	3
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Integrated Care Foundation Trust	6

**Note:**

The values in this report have been presented in £'000s. All values reconcile exactly in it lowest denomination, however, on presentation there may be some minor rounding differences in the variance calculations as a result of reporting the values at a higher level.

# Tameside & Glossop Integrated Economy Wide Financial Position

**£1,985k**

## CCG TEP Shortfall

The CCG financial plans for 2019/20 included a £1,985k post optimism gap related to the delivery of TEP schemes

**£3,535k**

## TMBC Pressures

Expenditure on Children's Services and income short falls in Growth, Operations and Neighbourhoods

*This report covers all spend at Tameside & Glossop Clinical Commissioning Group (CCG), Tameside Metropolitan Borough Council (TMBC) and Tameside & Glossop Integrated Care Foundation Trust (ICFT). It does not capture any Local Authority spend from Derbyshire County Council or High Peak Borough Council for the residents of Glossop.*

## Message from the DOFs

After a challenging year, the 2018/19 outturn position was successfully delivered in line with plan. This was a significant achievement, given we started the year forecasting an over-spend in excess of £10m, but we must not lose sight of the fact that many of the savings were only delivered non recurrently. Last year's outturn position also included some significant one-off income and spend in a number of areas was significantly in excess of budget.

Two months into the new financial year, this first report is an early look at emerging issues. A detailed monitoring report will be prepared at month 3 but already we are seeing some significant budgetary pressures in Children's Services, and continuing income shortfalls in Growth and Operations and Neighbourhoods. Urgent action is needed to address these pressures or identify additional savings if the financial plan for 2019/20 is to be delivered.

Financial plans for 2019/20 were approved in February and March 2019 (including a change to the CCG surplus to facilitate drawdown of accumulated surplus in 2020-21). There remains a significant savings target to be delivered this year, and work has already commenced to identify further savings for 2010/21 and beyond. Identified and proposed savings will continue to be subject to scrutiny through the 'Star Chamber' process and regular updates will be provided as part of the integrated finance report throughout the year.

Forecast Position £000's	Forecast Position		
	Net Budget	Net Forecast	Net Variance
CCG Expenditure	416,890	418,875	(1,985)
TMBC Expenditure	196,803	200,338	(3,535)
<b>Integrated Commissioning Fund</b>	<b>613,693</b>	<b>619,213</b>	<b>(5,520)</b>
ICFT - post PSF Agreed Deficit	(5,686)	(5,686)	0
<b>Economy Wide In Year Deficit</b>	<b>(5,686)</b>	<b>(5,686)</b>	<b>0</b>

# Tameside & Glossop Integrated Commissioning Fund

For the 2019/20 financial year the Integrated Commissioning Fund is currently forecasting net spend of £619,213k against a net budget of £613,693k, a forecast over spend of £5,520k.

Forecast Position £000's	YTD Position			Forecast Position		
	Budget	Actual	Variance	Budget	Forecast	Variance
Acute	35,871	35,871	(0)	215,354	215,354	0
Mental Health	6,069	6,069	0	36,046	36,046	0
Primary Care	12,937	12,889	48	85,468	85,461	7
Continuing Care	2,995	2,991	4	18,003	17,987	16
Community	5,474	5,471	4	32,846	32,845	1
Other CCG	3,409	3,466	(57)	24,009	24,033	(24)
CCG TEP Shortfall (QIPP)	0	0	0	0	1,985	(1,985)
CCG Running Costs	715	713	1	5,164	5,164	0
Adults	6,222	3,785	2,437	37,333	37,313	20
Children's Services	8,093	8,326	(233)	48,556	52,814	(4,258)
Education	(24,300)	(24,738)	438	6,005	6,216	(211)
Population Health	2,682	2,245	437	16,092	16,080	12
Operations and Neighbourhoods	32,445	33,134	(688)	50,672	51,468	(796)
Growth	1,471	441	1,029	8,825	9,400	(575)
Governance	5,032	5,819	(787)	9,193	8,972	221
Finance & IT	802	524	278	4,809	4,809	0
Quality and Safeguarding	23	(8)	31	136	136	(0)
Capital and Financing	0	0	0	4,116	4,116	0
Contingency	946	1,818	(873)	5,674	4,281	1,393
Corporate Costs	899	1,527	(628)	5,392	4,733	659
<b>Integrated Commissioning Fund</b>	<b>101,783</b>	<b>119,685</b>	<b>(17,902)</b>	<b>613,693</b>	<b>619,213</b>	<b>(5,520)</b>

# Tameside & Glossop Integrated Commissioning Fund

Forecast Position £000's	Forecast Position				
	Expenditure Budget	Income Budget	Net Budget	Net Forecast	Net Variance
CCG Expenditure	416,890	0	416,890	418,875	(1,985)
TMBC Expenditure	521,805	(325,002)	196,803	200,338	(3,535)
<b>Integrated Commissioning Fund</b>	<b>938,695</b>	<b>(325,002)</b>	<b>613,693</b>	<b>619,213</b>	<b>(5,520)</b>

## Children's Services £4,258k

The significant aspect of the projected variance relates to placements expenditure. The number of looked after children when establishing the 2019/20 budget was 648 (December 2018). However, Members should note that the number of looked after children has since increased to 685 at 31 May 2019 – an increase of 5% during this period. The projection assumes the current cost of all existing placements for the remainder of the financial year with an assumption for a further slight increase in month 3, again for the remainder of the year.

The directorate is evaluating a number of initiatives to reduce the number and related costs of looked after children, the details of which will be reported in further detail at period 3 monitoring. These include:

- Targeting earlier intervention to support children and families via existing embedded service initiatives such as edge of care and family group conferencing
- a redesign of the Family Intervention Service to deliver intensive support at the early signs of family breakdown
- increasing the seniority level for the approval of residential placements to ensure all other care options have been considered
- an urgent review of care provision sufficiency within the borough
- the implementation of a completed placements commissioning strategy review
- a review of the existing local authority residential estate for potential change of provision of one home to a short term assessment unit with a focus on either rehabilitation back to home and/or family or to support the identification of appropriate longer term placement arrangements
- the evaluation of an in borough planned / emergency respite unit to prevent family breakdown and admission to care
- a targeted senior management lead review of discreet cohorts of Looked After Children is now underway to ensure current placement arrangements, care plans and legal status are appropriate to need.

In addition, the now stabilised directorate senior leadership team will be reviewing the number and duration of budgeted posts within the service establishment to reduce the level of projected expenditure for existing vacant positions.

# Tameside & Glossop Integrated Commissioning Fund

## Operations & Neighbourhoods

The 796k projected overspend mainly relates to:

**Highways & Transport** – Continuing pressures from last year due to under recovery of income on car parks. Delays in the construction of new car parks, additional construction costs and lower than forecast income on other car parks is generating budget pressures.

**Markets** – There is a continued shortfall in income from Ashton Market due to the ongoing development works in Ashton Town Centre.

## Growth

The £575k projected overspend mainly relates to:

**Planning** - Building Control income is forecast to be less than budget due to a reduction in the number of applications. Development and Control income is also forecast to be less than budget.

**Estates** - budget pressures relate to a shortfall in income due to vacant industrial units and delays recruiting surveyors for marketing industrial units. There have also been additional security costs at Plantation Industrial Estates.

## CCG QIPP

The CCG Financial Plan for 2019/20 reported that financial control totals would be met, but that there was material risk associated with the achievement of QIPP. The £1,985k variance on CCG expenditure represents the post optimism gap on CCG TEP schemes.

We are optimistic that over the next few months we will be in a position to reduce reported risk and that by the end of the year we will be able to deliver against the control total. A more detailed CCG QIPP report will be presented to Finance and QIPP assurance group alongside this report.

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Forecast Position £000's	Forecast Position				
	Expenditure Budget	Income Budget	Net Budget	Net Forecast	Net Variance
A: Section 75 Services	361,928	(46,735)	315,193	320,686	(5,493)
B: Aligned Services	323,250	(94,199)	229,051	228,915	136
C: In Collaboration Services	253,518	(184,068)	69,450	69,612	(162)
<b>Integrated Commissioning Fund</b>	<b>938,695</b>	<b>(325,002)</b>	<b>613,693</b>	<b>619,213</b>	<b>(5,520)</b>

## Acute

Overall forecast is currently zero variance, however month 1 data has indicated some overspends and resulted in some contractual challenges. It is too early to draw any conclusions or establish trends at this stage.

## Education

The projected over spend relates to School Transport due to an increase in children eligible for Special Educational Needs statutory support. The pressure is being partially offset by vacant posts.

## Prescribing

Data for April is not yet available, however the actuals for January to March 2019 were significantly different to past trends and forecasts. A deep dive into prescribing will be reported in a future month.

# Tameside & Glossop Integrated Care NHS Foundation Trust

Financial Performance Metric	Month 2			YTD			Outturn
	Plan £000	Actual £000	Variance £000	Plan £000	Actual £000	Variance £000	Plan £000s
Normalised Surplus / (Deficit) Before PSF	(2,363)	(2,333)	29	(4,602)	(4,576)	26	(25,220)
Provider Sustainability Fund (PSF)	236	236	0	472	472	0	4,727
Financial Recovery Fund (FRF)	740	740	0	1,480	1,480	0	14,807
Surplus / (Deficit)	(1,387)	(1,357)	29	(2,650)	(2,624)	26	(5,686)
Trust Efficiency Savings	610	499	(111)	1,205	1,155	(50)	11,850
<b>Use of Resources Metric</b>	<b>3</b>	<b>3</b>		<b>3</b>	<b>3</b>		<b>3</b>

## Tameside and Glossop Integrated care NHS Foundation Trust

- Prepared by  
 Finance  
 23/05/2019
- Revenue** - The Trust has agreed a control with NHS Improvement of **c.£5.686m** after Financial Recovery Fund (FRF) and Provider Sustainability Funding (PSF). For the financial period to **31<sup>st</sup> May 2019**, the Trust has reported a net deficit of **£2.333m** pre FRF and PSF, which is broadly in line with plan.
  - Trust Efficiency Programme (TEP)** - the Trust has a TEP target in 2019/20 of **£11.580m** including carried forward schemes from 2018/19. During month 2 the Trust delivered **£499k** against a plan of **£610k** reporting an underachievement of **c.£111k** in month. The Trust is forecasting at month 2 to deliver **c.£10.767m** by the end of the year. Schemes are being developed across the Trust to mitigate the shortfall.
  - Agency cap** - The Trust has an agency cap of **c.£9.454m**, but a plan of **£7m**. During Month 2 the Trust spent **£469k** against a plan of **£477k**, reporting an underspend of **£8k** and reporting significantly below the cap.

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<b>Report to:</b>	<b>EXECUTIVE CABINET</b>
<b>Date:</b>	24 July 2019
<b>Executive Member / Reporting Officer:</b>	Councillor Ryan Executive Member for Finance and Economic Growth Tom Wilkinson Assistant Director of Finance
<b>Subject:</b>	<b>IMPLEMENTING AN INVESTMENT FUND FOR INVEST TO SAVE OPPORTUNITIES</b>
<b>Report Summary:</b>	<p>The Council and Tameside and Glossop CCG are leading on the public service reform (PSR) in the locality and initiatives to better align services focused on the delivery of outcomes that are best for residents.</p> <p>At the same time the delivery of savings and efficiencies is becoming an increasingly difficult process after 9 years of austerity. One of the reasons cited when savings are not delivered or are delayed is due to the lack of capacity to deliver some projects in addition to delivering normal operations.</p> <p>This report seeks to formally establish a fund to provide some capacity to deliver new savings and efficiencies for 2019/20 and beyond and to allow investment in the delivery of the public service reform required. It is proposed, initially that £1m is earmarked from the Service Improvement Reserve to create a specific Investment Fund to facilitate the delivery of PSR and the savings required to deliver a balanced budget. The operation of the fund is set out in the report to ensure that the funding is allocated fairly and that the rationale for using this funding is sound and robust.</p>
<b>Recommendations:</b>	<p>Executive Cabinet agree to:</p> <ol style="list-style-type: none"><li>I. transfer £1m from Service Improvement Reserve to create an Investment Fund that is reviewed and assessed as part of future annual budget processes.</li><li>II. That delegated authority subject to an executive decision is given to the Director of the Executive Member for Finance &amp; Growth and the GP Member for Finance for Tameside and Glossop CCG, together with the relevant Executive Member and/or Clinical lead to approve funding from the Investment Fund reserve to support the delivery of savings and public service reform. This will be subject to an executive decision providing satisfactorily robust business case and implementation plan been prepared, which demonstrates the investment will enable the delivery of future savings; and</li><li>III. That the level of the Investment Fund be reviewed as part of the annual budget setting process.</li></ol>
<b>Corporate Plan:</b>	The Corporate Plan, targeting the life path, of starting well, living well and aging well, is focused on an interventionist and empowerment strategy to ensure that residents life successful and independent lives, thereby reducing the statutory demands on the Council and the CCG.

**Financial Implications:  
(Authorised by the statutory  
Section 151 Officer & Chief  
Finance Officer)**

The Investment fund will be funded from the Service Improvement Reserve, which includes a £0.5m contribution from the CCG, to support the delivery of savings identified as part of the 2019/20 budget process and to pump prime the delivery of public service reform. The level of balances will be reviewed annually as part of the budget process, and on the performance and delivery of the fund.

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

The Council has a fiduciary duty to the public purse to ensure it spends its money in the best interests of the Borough. Provided this can be justified, is properly documented, and carried out fairly rationally and reasonably with demonstrable outcomes which benefit its inhabitants, it ought to be able to withstand any successful judicial/ombudsman/regulatory challenge. Further explanation is required of the two proposed projects set out in table 1.

**Risk Management:**

The failure to deliver a balanced budget is one of the Council's and CCG's top 10 risks. Being able to deliver and achieve the savings targets set by members is paramount to delivering a balanced budget and ensuring the financial stability of the organisation. By investing some one off resources to generate recurrent savings is a sensible use of the Council and CCG's scarce resources and will help to mitigate the risk of non delivery of the efficiency targets.

**Background Information:**

**APPENDIX A** example template that will have to be completed to access the funding and funding

The background papers relating to this report can be inspected by Contacting

Tom Wilkinson, Assistant Director - Finance



Telephone: 0161 342 5609



e-mail: [tom.wilkinson@tameside.gov.uk](mailto:tom.wilkinson@tameside.gov.uk)

## **1. INTRODUCTION**

- 1.1. Thameside Council and the CCG's Integrated Care Fund is facing some severe financial challenges over the next 4 to 5 years, with austerity set to continue for non health related sectors. Demand pressures within Children's Services and Adults Social Care are set to continue. Added to this there is a great deal of uncertainty about the outcome of the MHCLG's fair funding review of Local Government funding that could see a further shift of resources away from Thameside, as a poor metropolitan borough.
- 1.2. Over the past few years Thameside Council has managed to balance its budgets by maximising its resources base and latterly through the application of reserves in an effort to provide time for service improvement and protect front line services. Whilst savings and efficiencies have been made and identified as part of the 2019/20 budget process, there remains a significant budget gap of more than £47m by 2024. This gap is likely to be affected by funding decisions by central government around the fair funding review and decisions about the future of the Integrated Better Care Fund.
- 1.3. Action has been taken to balance the Council budget for 2019/20, with the CCG requiring additional funding or efficiencies of around £4m to be in a balanced position. The 2019/20 budget has been balanced by identifying savings options of over £23m (£10m TMBC and £13m T&GCCG).
- 1.4. It is becoming increasingly difficult to deliver on savings and efficiency targets, as the majority of the straightforward efficiencies have been made. It is therefore necessary to acknowledge that some additional capacity may be necessary to make the changes required to release the savings.
- 1.5. The need to invest in public service reform up front is also a challenge facing all public sector organisations, as they try to deliver reform whilst ensuring vital services are delivered to a high standard.

## **2. THE INVESTMENT FUND**

- 2.1. It is therefore proposed that a £1m fund is established so that departments can bid for one off funds to facilitate the delivery of the savings. The fund will be created by transferring £1m from the Service Improvement Reserve, which holds £0.5m of CCG funding which was transferred to the Council for this purpose in 2018/19.
- 2.2. There will be a due diligence process to ensure that the requests for funding are realistic and that any spending has an implementation plan. Progress against the delivery of these savings will be closely monitored and openly reported as part of the monthly budget monitoring process.
- 2.3. Initially it is proposed that the Investment Fund is used to support the delivery of savings identified as part of the 2019/20 budget process where 2 schemes require some initial upfront investment of £150k. These schemes are expected to generate £230k per annum of savings from 2021/22. Any slippage on the delivery of these savings will impact on the overall in year financial position.
- 2.4. The savings and investment are highlighted in Table 1.

**Table 1 – Savings schemes requiring one off pump priming investment**

Scheme	Saving Forecast £000s					Total one off investment needed £000
	19/20	20/21	21/22	22/23	23/24	
Extending commercial offer	0	100	200	200	200	140
Review of rents and leases	30	30	30	30	30	10
<b>Grand Total</b>	<b>30</b>	<b>130</b>	<b>230</b>	<b>230</b>	<b>230</b>	<b>150</b>

- 2.5. **Appendix A** gives an example template that will have to be completed to access the funding and funding will be granted on the authority of the Director of Finance in consultation with the Executive Member for Finance and the Economy, with any spend of more than £30k that affects more than two wards reported back as a key decision through the normal governance mechanism.
- 2.6. The level of the Investment fund will be reviewed as part of the annual budget process and topped up based on the investments required.

### **3. RECOMMENDATIONS**

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

<b>REPORT TO:</b>	<b>EXECUTIVE CABINET</b>
<b>DATE OF REPORT:</b>	24 July 2019
<b>REPORT OF:</b>	Councillor Brenda Warrington, Executive Leader Cllr George Newton Assistant Executive Member Tim Rainey, Assistant Director, Digital Services.
<b>SUBJECT</b>	<b>GREATER MANCHESTER COMBINED AUTHORITY FULL FIBRE NETWORK PROGRAMME</b>
<b>REPORT SUMMARY:</b>	<p>This report details the Greater Manchester Combined Authority (GMCA) Local Full Fibre (Local Full Fibre ) programme and in particular the procurement process that is currently underway for the installation and operation of ducting and dark fibre cables for 8 local authorities, GMCA and Greater Manchester Fire and Rescue Service.</p> <p>The arrangements for Manchester City Council and Tameside are different than the other 8 GM Councils. As part of the overall £23.8m funding awarded by the Department of Digital, Media, Culture and Sport (DDCMS) to Greater Manchester, £2.5m is being passported to Tameside for us to continue developing our existing dark fibre infrastructure and £835k for Manchester City Council to upgrade existing building connections to fibre.</p> <p>Timescales for the GMCA Local Full Fibre procurement process are very tight. The Supplier Questionnaire was issued in Mid-April with a closing date on 13 May 2019. The Supplier Questionnaire process required potential suppliers to have a least 3 years financial records. This prevented the Tameside Cooperative, which was formed in February 2018, from applying in its own right. In view of this a consortium led by Tameside MBC with Cooperative Network Infrastructure Ltd (CNI), formerly known as the Tameside Digital Infrastructure Cooperative, and additional contributions from other consortium members completed and submitted a Supplier Questionnaire. The consortium name is the "Greater Manchester Open Fibre Alliance"</p> <p>Greater Manchester Open Fibre Alliance consortium is not a legal construct, it's a nexus of CNI member who are willing to pool assets, skills and resources to develop the final bid document and if successful deliver and operate the new digital infrastructure for Greater Manchester .</p> <p>The Greater Manchester Open Fibre Alliance was successful in getting through the Supplier Questionnaire phase of the process and now a full response to the tender must be submitted by 24 July 2019. Once the contract(s) are awarded by GMCA it is envisaged work to construct the new network(s) will commenced in October 2019.</p> <p>The basic contract for connecting all the 1250 mandatory public sector sites is estimated to be worth £32m in total - £11.5m contributed by 8 authorities, CA and Greater</p>

Manchester Fire & Rescue Services and £20.5m from DCMS. (The DCMS grant funding must be spent by the end of March 2021). In addition bidders are being asked to proposed how they might add value to the bid by extending the network to a further 697 optional group of public sites and assets and/or add value in others ways at cost to themselves.

Alongside the consortium developing the bid, the internal governance process for the Council must be completed, the financial and commercial risk and issues need to be addressed and a workable solution as to how the consortium will operate in a way, which will enable the free procurement/commissioning of services between each other must be agreed.

#### **RECOMMENDATIONS:**

1. That Executive Cabinet approves the Council, joining in, as part of the Greater Manchester Open Fibre Alliance (Greater Manchester Open Fibre Alliance) Consortium, a bid for the Greater Manchester Combined Authority Local Full Fibre Network (Local Full Fibre ) Project, on the basis that further key decisions will follow on funding should the Greater Manchester Open Fibre Alliance Consortium be successful in the bid.
2. That Executive Cabinet authorises the Assistant Director of Digital Services to enter into the Greater Manchester Open Fibre Alliance (Greater Manchester Open Fibre Alliance) Consortium Memorandum of Understanding attached at **Appendix 2** noting that other than confidentiality clauses it is not a legally binding.
3. A further report will be produced for the next meeting updating members on the bid together with an update on the further due diligence and in particular state aid matters, which has taken place.

#### **FINANCIAL IMPLICATIONS:**

**(Authorised By Borough Treasurer)**

No financial commitment is required until the contract is signed, so at this bidding stage of the process the Council is not committing itself to any financial investment.

If the bid is successful, the funding model would require the Council to invest up to £5m of capital resources into the Cooperative Network Infrastructure (CNI), alongside other members of the consortium, in return it will receive a fixed return of 5% per annum. In addition the CNI will pay the Council up to £190k per annum for rental of the Council owned ducting that the fibre cable runs through. These returns are not guaranteed and will be dependent upon the commercial success of CNI.

The proposed funding model is sufficient to allow this capital investment to be funded from prudential borrowing and repaid over the life of the asset.

The final investment requirement is also subject to the successful delivery of the capital scheme and may vary, it is intended that the Council invest a maximum of £5m.

There remain a number of risks with the proposal which are outlined in detail in Section 10. If the consortium is successful

in the bid a full and final business case (in line with the Council's capital programme prioritisation scheme) will have to be drawn up alongside the appropriate due diligence around the legal, financial and procurement structures to be adopted before final governance is received, and the investment made.

#### **LEGAL IMPLICATIONS:**

**(Authorised By Borough Solicitor)**

The full extent of legal implications cannot be weighed at this moment in time as bid documentation has not been shared, nor have the risks been fully understood or analysed. The financial concerns highlighted above are endorsed.

The procurement risks at given stages of the project require full exploration, and any advice sought and given by STAR and STAR Legal (Trafford) documented.

There may also be an issue in terms of state aid. It is proposed that £15m will go into the ducting, which will be owned by the Co-operative, £5m by the Council and £5m each from two others, all of whom will get return on this investment. The amount charged for usage should be in line with what the Council already charges for its infrastructure, which for example I understand Openreach would charge.

The main question is whether the other investors or members of the co-op are in receipt of an economic advantage, which could not have been obtained under normal market conditions - would a private investor in comparable circumstances have provided such sums or support if it were operating under normal market economy conditions. A full state aid test will therefore be required in the first instance.


A full understanding of the potential conflicts, which exist between the various parties is required as some members of the Co-operative, may be bidding for their project in its own right.

The complexity of the project, which also requires proper project management, will require specialist legal advice in order to protect the Council's interests, which the Council does not currently have the capacity in terms of expertise to resource. This needs to be resourced and procured.

The memorandum of understanding at **Appendix 2** should be entered into in good faith, but is not intended to bind the Council in respect of the future project, as further governance is required. Only the clauses around confidentiality and the law generally will do so to the extent they would apply in any event.

#### **ACCESS TO INFORMATION:**

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

 Telephone: 0161 342 3299

 e-mail: [Tim.rainey@tameside.gov.uk](mailto:Tim.rainey@tameside.gov.uk)

## 1 BACKGROUND

- 1.1 In March 2018, Greater Manchester secured 25% of the total UK Local Full Fibre wave 2 funding pot to be used to connect over 1300 public sector sites across GM. The Local Full Fibre Programme will have a transformational impact on digital infrastructure in GM - leading to an increase of full fibre coverage from 2% now to around 25% within three years. Greater Manchester would then have the best high-speed digital infrastructure coverage of any city-region in the UK.
- 1.2 This still only compares to almost 90% coverage in the leading EU countries, and an average of around 40% across Europe as a whole. Much of the new private sector investment and fibre infrastructure is also being made into high density urban areas such city centres where the best commercial returns on the investment can be made. This means many outlying and rural areas could miss out on fibre connectivity.
- 1.3 In Tameside the work we have done to date with our public sector partners, and with financial support from DDCMS Local Full Fibre to construct our own digital infrastructure, and which is then commercialised via the Digital Infrastructure Cooperative, means that 33% of all residential properties and 52% of all businesses in Tameside are now within economical connection distance of a fibre to the premise internet connection.
- 1.4 As part of the GMCA Local Full Fibre bid during the coming year a further £2.5m of ducting and fibre installation works will be undertaken. This will extend the reach of our fibre network into other more rural areas of Tameside including Mossely, Hattersley and Broadbottom (as well as Hadfield and Glossop). Once complete it will mean that fibre coverage in Tameside will increase to 41% for residential properties and 59% for businesses.

## 2 GREATER MANCHESTER COMBINED AUTHORITY LOCAL FULL FIBRE NETWORK PROGRAMME

- 2.1 The GMCA's Local Full Fibre project is currently going through the procurement phase. Timescales for undertaking are very tight. The Supplier Questionnaire (Supplier Questionnaire) was issued in Mid-April with a closing date on 13 May 2019.
- 2.2 A consortium led by Tameside MBC with Cooperative Network Infrastructure Ltd (CNI), formerly known as the Tameside Digital Infrastructure Cooperative, and additional contributions from other consortium members completed and submitted this Supplier Questionnaire. The consortium name is the "Greater Manchester Open Fibre Alliance" (Greater Manchester Open Fibre Alliance).
- 2.3 Under this proposed arrangement TMBC would be the contracting party with GMCA and will have a memorandum of agreement with CNI and other named consortium members. CNI is itself structured as a Cooperative Consortium with model rules developed by Cooperatives UK and overseen by the FCA. A full list of CNI members is attached at **Appendix 1** and these members have agreed to combine assets, skills and resources to support the bid. These members include:
  - Virgin Media Ltd
  - The Loop (Gamma Telecom)
  - Network Connect Ltd
  - Concept Solutions People
  - The Networking People (TNP)



2.4 In addition the Cooperative members listed below have specifically been named as consortium members in the bid. These companies are playing a strong and active role in both the bid development and then the delivery and operation of the network if we are successful.

- ITS Technology Group Ltd
- Telkom Infrastructure Ltd
- Core Integrated Solutions Ltd

2.5 Financial management, risk management, commercials and legal will be the responsibility of TMBC as consortium lead. Consortium and CNI members will make contributions in particular on technical design, project management, supplier management, construction and fibre install.

### **3 INVITATION TO TENDER (ITT)**

3.1 The Greater Manchester Open Fibre Alliance consortium successfully passed through the Supplier Questionnaire process and the full ITT was issued to on 9 June 2019. GMCA's Local Full Fibre project is based on 'Public Sector Anchor Tenancy' model. This is different to the method used in Tameside (which DCMS calls 'Public Sector Asset Reuse'). Both methods aim to save money for the public sector. The Tameside method uses public money to build a publicly-owned network that connects public sector sites, and can be shared with the private sector using the cooperative. The GMCA project will use public money to pay a single private sector provider to connect public buildings using a private network but providing a long lease to the public sector for use of the connections.

3.2 GMCA has started the procurement contract which is worth £32m - roughly £11.5m contribution from 8 authorities, the CA and Greater Manchester Fire & Rescue Services and £20.5m grant funding from DCMS. The DCMS grant funding must be spent by the end of March 2021.

3.3 In the normal course of events the winning private sector bidder(s) would use the money to extend their own private networks and build some amount of new network and then provide the participating public sector bodies with 'dark fibre' connections on a long lease (20 years +).

3.4 In essence the public sector is pre-paying for 20+ years' worth of connectivity and will save money. However the main part of the new network including the ducting (the valuable bit) will belong to the winning bidder who will then be able to use this exclusively for their normal commercial activities.

3.5 However, if the Greater Manchester Open Fibre Alliance consortium bid was to win, funding would be offered to each of the 8 councils involved, to build their own ducting network using their own Civils Team or sub-contractors. Just as in Tameside all public sector partners would be able to use this new pan-Manchester network. The CNI cooperative would then provide access to this new network for its private sector Telecommunications Sector members so they can deliver internet based services to businesses and residents across the sub-region.

3.6 Two key risks for the GMCA Local Full Fibre project are the tight timescale for completing the works and private sector capacity to undertake the required civil engineering works across 8 boroughs simultaneously. The DCMS grant must be spent by 31 March 2021 and so construction of the infrastructure must begin as soon as possible and be completed within a short time frame. This causes significant challenges for the private sector in terms of the scale and availability of civil engineering resources that would need to be deployed

across 8 different boroughs at the same time. In addition there would be significant wayleave and easement issues that the private sector supplier would need to resolve before work could even commence.

- 3.7 It is the intention of the consortium to offer the 8 local authorities the option to build their own ducting infrastructure in their own boroughs using their own in-house Civils teams or their chosen sub-contractors. In doing this it would avoid many of the issues associated with permissions and wayleaves. It also deals with the Civil Engineering capacity issue and would provide significant income back to each Council. The fibre cables would be installed by the Greater Manchester Open Fibre Alliance consortium to complete the network.

#### **4 Greater Manchester Open Fibre Alliance KEY BID THEMES**

##### **4.1 A consortium of GM-based organisations, embedded in the local tech/digital ecosystem, creating a Fibre Network for GM by GM**

- Led by Tameside Borough Council, bringing well-established networks with each Local Authority
- Comprehensive stakeholder networks in GM with public sector asset holders that are supporting our bid
- A Consortium membership consisting of GM based SMEs routed in the local economy
- Long term resilience and competitiveness of the Consortium model, flexing and responding to GM needs,

##### **4.2 A cost efficient technical solution that creates open access and competition in the best connected city region in the UK**

- Enabling the Fibre Network assets to stay in public ownership - a Network owned by GM for GM
- an Irrefutable Right to Use (IRU) based on 20 years
- design incorporates a combination of new dig and existing infrastructure (from either Co-operative members, Local Authorities, TfGM, UTC or 3rd parties) to generate maximum value for the public sector

##### **4.3 In-depth experience and insight of operating similar services in other localities**

- Operating a cooperative model in Tameside and Brighton – practical lessons learnt that can be scaled up for GM
- Experience and expertise of implementing large scale fibre networks in other localities.
- a Consortium bringing together partners with complementary skills, resources and capacity that is unique in the market place

##### **4.4 A resilient delivery structure with the capacity and capability to deliver within stretching timescales**

- building on the combined resources of the Consortium members, with local leadership and delivery resources in place
- investment in a specialist Project Management to oversee contract delivery via 4OC, with direct experience of programme managing large dark fibre networks.
- robust governance, scrutiny and accountability through Tameside MBC – accountable to local stakeholders

#### 4.5 **A delivery model that has social value, economic growth and public service reform at its heart**

- The delivery model creates long term public sector ownership of the Fibre asset – a GM network built by GM organisations for GM
- A solution supported by GMCVO, designing the Network to benefit the largest number places including not for profit, charity and social housing in GM. (No other provider can bring this)
- It will recruit and source locally (including Apprenticeships) as GM organisations, ensuring maximum benefit to the local economies of GM
- The cooperative ethos and business model will generate long term growth in the tech/digital eco-system in GM

4.6 To maximise the reach of this new network, wherever possible we would want local authorities and TfGM to make available existing duct assets for re-use. This means the funding could be used to extend connectivity into other areas not identified in the original specification adding further value to local area. We would also use existing Cooperative members infrastructures such as Virgin and The Loop to avoid over build wherever possible.

4.7 TMBC and/or consortium members will deliver the construction works for those authorities that can't/don't want to build their own. Either way the final duct network would be owned by TMBC on behalf of the public sector. The duct rental income stream for this network would be in the region of £190k per year.

4.8 Once in place this network would cover all 10 GM districts including Tameside and the City Council who are themselves in the process of applying for membership of the Cooperative. This opens up the possibility of ubiquitous fibre connectivity for Health Sector, Councils, Schools, businesses and residents on a scale not seen before in the UK.

4.9 In essence what is being proposed by the consortium is:  
Public sector money, being paid to public sector organisations to build a public sector network that is then open to for any supplier (public or private) to use and which is ultimately owned by the public sector.

Compared to public sector money being paid to a private sector company who construct a closed infrastructure, which they own, and which the public sector gets a limited long term rental agreements to use.

### **5 Greater Manchester Open Fibre Alliance CONSORTIUM PRINCIPLES AND MEMORANDUM OF UNDERSTANDING**

5.1 The Greater Manchester Open Fibre Alliance has setup a programme board to oversee the development of the bid, and then if successful to oversee the successful delivery of the programme of works and subsequent operation. All partners of the consortium are represented on the board and each have an equal say, however Tameside MBC is the lead and as such has an effective veto and its consent is required for major decisions.

5.2 The exact legal form of Greater Manchester Open Fibre Alliance and contracting relationships are not yet finalised. However, the general principles agreed are:

- Tameside MBC is the lead and its consent is required for major decisions.
- Otherwise Greater Manchester Open Fibre Alliance members have an equal say.

- Greater Manchester Open Fibre Alliance members are expected to contribute resources to the bidding process.
- New members may be admitted to Greater Manchester Open Fibre Alliance providing that existing members consent. All Greater Manchester Open Fibre Alliance members must be members of CNI.
- All members of Greater Manchester Open Fibre Alliance agree to keep confidential information that is shared with them by other members.
- Greater Manchester Open Fibre Alliance members that are also bidding separately for the GMCA contract shall conduct the two bids separately and should be ready to demonstrate that the conduct of each bid is independent of the other.

5.3 These principles are contained in a Memorandum of Understanding (MoU), attached as **Appendix 2**, that all consortium members will need to agree and sign up to.

## 6 DEVELOPING THE RESPONSE TO THE ITT

6.1 To help coordinate and write the final ITT response and pull together the contributions from the consortium members, external support from “50 Degrees” a specialist bid writing firm with a track record of successfully working on tender responses for other GMCA projects has been secured. This work will cost around £40k and will be funded through contributions from consortium members including the Council.

6.2 The final design solution is based on an agreed set of priorities set out in the table below. First the solution will meet the criteria and requirements of GMCA ITT, so that the solution is within budget and that the maximum scope is delivered. Thereafter the following hierarchy of benefits will be used:

<i>Priority</i>	<i>Benefit</i>	<i>Context</i>
1	The benefit of GM	The wider public good - VfM for the authorities. Public service transformation. Economic development.
2	Mutual benefit of Coop members	Open access and competition for GM digital-tech sector
3	Individual Coop member benefit	Enabling investment by members and growth

6.3 The following set of priorities have guided the design decisions:

<i>Objective</i>	<i>Rationale</i>
Reuse assets where sensible	Better VfM for public and private investment - more for less
Create resilient solutions	Increase scope for sharing and so competition
Focus on carrier neutral aggregation points rather than Openreach	Open access and competition, with benefit for GM sector
Create opportunities to address Fibre to the Premise markets	Enabling investment by members and growth; Digital inclusion
Take account of needs of 5G	Faster 5G roll-out; attract investment in GM
Enable 'smart city' applications	Transform public services; savings for public sector

## 7 GMCA PROCUREMENT APPROACH

- 7.1 TfGM is undertaking the procurement and programme management on behalf of the Local Full Fibre Stakeholders (GM Local Authorities, GMCA and Greater Manchester Fire & Rescue Services). This role includes Procurement of the delivery contracts; oversight of the installation of the fibre network by the suppliers; working closely with the participating LAs and the GMCA; management of overall supplier performance and progress tracking.
- 7.2 The Local Full Fibre Programme will see over 1250 public sector assets connected with full fibre. This includes over 600 local authority sites and 33 Fire and Rescue Service sites. The GMCA also owns traffic light assets across over 700 site locations as part of a wider Intelligent Transport System (ITS), which is managed by TfGM. It connects highway infrastructure including traffic signals, pedestrian crossings, variable message signing and CCTV cameras. All assets are connected back to the TfGM Control Centre and monitored 24/7.
- 7.3 The procurement process seeks tenders for the delivery of two main single supplier contract areas – a Northern Framework and a Southern Framework, grouped geographically. A single Northern Provider will be appointed to install full fibre connections to all the sites in the ownership of Bolton, Bury, Oldham, Rochdale and Wigan Councils. These LAs have identified sites for inclusion in the GM Local Full Fibre Programme together with all of the sites in the ownership of the GMCA which are within these 5 LA areas.

- 7.4 A single Southern Provider will also be appointed to install full fibre connections to all the sites in the ownership of Salford, Stockport and Trafford Councils these LAs have identified for inclusion in the GM Local Full Fibre Programme as well as all of the sites in the ownership of the GMCA which are within these 3 LA areas. The Southern Provider will also enter into a Contract with the GMCA to install full fibre connections to sites in the ownership of the GMCA within Manchester District. The procurement approach allows tenderers to bid for either or both the Northern and Southern contracts.

<b>NORTHERN ARC LOCALITIES</b>					
<i>Northern Arc maximum available funding (£18,905,677)</i>					
<b>DCMS Grant Contribution £ 12,952,046</b>					
<b>Bolton</b>	<b>Wigan</b>	<b>Bury</b>	<b>Rochdale</b>	<b>Oldham</b>	<b>GMCA</b>
£456,186	£547,671	£468,501	£926,160	£1,524,905	£2,030,208
<b>Mandatory Site Numbers</b>					
<b>68</b>	<b>76</b>	<b>74</b>	<b>67</b>	<b>63</b>	<b>297</b>
<b>Additional Site Numbers</b>					
<b>30</b>	<b>43</b>	<b>59</b>	<b>32</b>	<b>36</b>	<b>21</b>

<b>SOUTHERN ARC LOCALITIES</b>			
<i>Southern Arc maximum available funding (£12,991,616)</i>			
<b>DCMS Grant Contribution £7,512,954</b>			
<b>Stockport</b>	<b>Salford</b>	<b>Trafford</b>	<b>GMCA</b>
£743,694	£1,272,144	£705,090	£2,757,734
<b>Mandatory Site Numbers</b>			
<b>45</b>	<b>103</b>	<b>34</b>	<b>423</b>
<b>Additional Site Numbers</b>			
<b>96</b>	<b>185</b>	<b>45</b>	<b>132</b>

- 7.5 The Greater Manchester Open Fibre Alliance (Greater Manchester Open Fibre Alliance) consortium intends to bid for both the Northern and Southern areas. In addition to the 1250 mandatory sites that must be connected there are also an additional 679 optional sites that if connected will add value to the overall tender score. Furthermore it is intended to install twin duct around the entire network (Double the required capacity) as this will not only provide increased capacity for more fibre in the future but this ducting can also be used to provide power cables for electric vehicle charging points – avoiding the need to dig up road and pavements again in the future.
- 7.6 Working with a specialist network design company the consortium has now designed and mapped a 500km+ network which will connect all mandatory and optional sites across

Greater Manchester. The total construction costs for this work are estimated to be £42m, with a further £5m for the fibre cable installation, Project Management and other costs such as Legal Services.

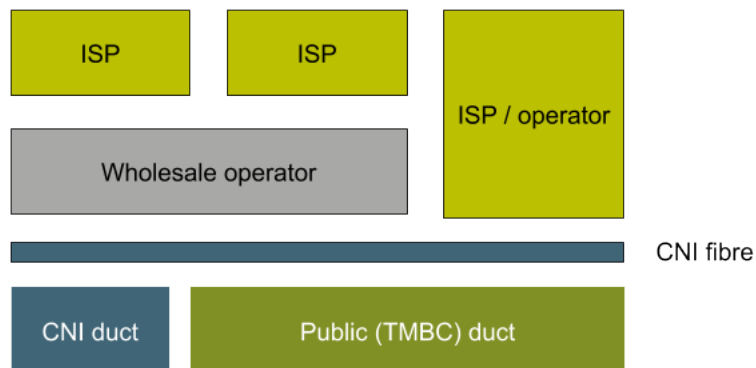
7.7 The total DCMS grant and local authority contributions is £32m which leaving a potential funding shortfall of £15m. There are a number of options for how this funding gap can be bridged, but it is likely that this additional investment will be made through CNI. This is likely to provide a better return than investing in duct and then taking duct rental fees.

7.8 Funding summary table is below:

<b>Bid Total cost £47m</b>	<b>GMCA funded £32m</b>	<b>DCMS funding £20.5m</b>	<b>Cost to reach mandatory sites</b>
		<b>8 Local authorities £11.5m</b>	
	<b>Consortium must fund £15m</b>	<b>TMBC investment £5m?</b>	<b>Cost to reach additional sites</b>
		<b>Consortium member A investment £5m?</b>	
		<b>Consortium member B investment £5m?</b>	

7.9 The preferred model for this is that investors fund the creation of defined sections of infrastructure that CNI will build and own. This takes advantage of the Tameside model where different infrastructure owners collaborate through CNI to create an integrated infrastructure without transferring ownership.

7.10 This is shown in the diagram below.



7.11 CNI will offer two mechanisms for investors:

- Share capital in CNI earning a defined rate of return, currently 5%.

- “Revenue share asset purchase”, earning a return depending on the revenues raised by CNI using the assets that the investment funds. This return is dependent on the size of the market that can be addressed but is likely to exceed 6%.

7.12 In these cases, ownership of the ducting financed this way will be with CNI and it will not pay duct rental fees on these sections.

7.13 The table below gives some indicative figures on the potential return on an investment of £5m made through CNI.

	Share capital	Revenue share
<b>Investment</b>	£5m	£5m
<b>NPV 25 years at 5%</b>	£238k	£551k
<b>IRR 25 years</b>	5.38%	6.09%
<b>Cashflow 25 years</b>	£1.25m	£4.96m
<b>Asset remaining after 25 years</b>	£5m shares	£0

## 8 TAMESIDE AND CONSORTIUM PROCUREMENT APPROACH

8.1 If the Greater Manchester Open Fibre Alliance Consortium bid is successful with Tameside Council as lead and accountable body a mechanism to ensure that work can be easily commissioned by the Council to consortium members must be found.

8.2 Depending on how many councils decide to carry out their own duct installation works it’s likely that only a small percentage - if any - of these works will need to be procured from the private sector. The only major element of works that will be undertaken outside of the public sector is the fibre installation, Project Management and other services such as external Legal support. These works are estimated at £5m and where possible will be undertaken by consortium or Coop members.

8.3 These costs are summarised in the diagram below:





- 8.3 Options for dealing with the commissioning of work between consortium members could include using the LEP/Robertson's or "passporting" grant monies from the Council to consortium members. Work is underway with STAR, Legal and Finance to identify to most appropriate solution.

## 9 ASSET OWNERSHIP

- 9.1 The Council will take ownership of the infrastructure that has been constructed using funds from DCMS and the 8 local authorities. The Council will earn duct rental fees on this infrastructure from CNI and any other operators deploying fibre in that duct. CNI will own infrastructure that has been constructed using funds invested in CNI. **In essence the Council would own £32m of ducting assets for a £5m investment.**
- 9.2 Ownership of the fibre deployed for use by the local authorities may be transferred to them in perpetuity – the contract requires that they get free use for at least 20 years. Where CNI chooses to deploy fibre in Tameside owned duct it will pay a duct rental fee of 60p per metre per year. The CNI fibre would sit alongside public sector fibre.
- 9.3 Assuming that the grant funded part of the network is approx. 320km, and assuming that CNI agrees to deploy fibre in all of this network (it is not under an obligation to do so), this would generate approximately £190k per year for the Council.
- 9.4 The Council may be able to sell duct access to other operators and so increase this revenue.

## 10 RISKS

- 10.1 There a number of significant risks in delivering a project of this scale and complexity. 4OC are a specialist project management company who are also members of the Cooperative and they will be engaged to oversee the project management side of things. Key risk include:
- 10.2 **Timescales:** The timescales for claiming the DCMS grant monies mean that much of the construction works must be completed and claimed for before 31 March 2021. With works not expected to commence until October 2019 at the earliest this only gives 17 months window to build much of the ducting infrastructure. The consortium plans to offer each individual council the opportunity to undertake the ducting works using their own in-house Civil Engineering Teams or sub-contractors. By doing this work can be undertaken simultaneously across all 8 boroughs.
- 10.3 **Financial:** As with any construction project of this scale there is a risk of costing overruns. The consortium has based its build costs and project finances on Tameside own experience of installing over 50km of ducting and fibre network. The costs also assume that the consortium will have to install new ducting across the board, when in reality in many cases it will be possible to re-use existing ducting owned by the public sector or Cooperative member. Not only does this avoid unnecessary overbuild, it also saves money and reduces disruptive road and street works.
- 10.4 **Commercial:** Once complete there is a risk that the infrastructure isn't commercially attractive to the telecoms sector and this leads to lower than envisaged take-up of services from the Cooperative. Key to the success and sustainability of the infrastructure is buy-in from private sector and public sector organisations. The Coop's pricing model as used in Tameside is already proving to be competitive and this along with the intellectual

and capital investment from consortium (and other Coop) members will ensure the commercialisation element of the project will have the focus and drive required. The emerging 5G networks will also require significant fibre infrastructures to support the roll out of small cell technologies in coming years and this will be a prime focus for the Coop.

- 10.5 **Procurement:** The final delivery mechanism needs to be agreed to ensure compliance. It is desirable if possible for the capital works to be delivered through the CNI.
- 10.6 Engaging with other public sector partners, over and above other Councils, will also be key. Hospitals, GP's, Medical Centres, Schools, Colleges, Universities and well as Social Landlords could all be potential customer once the fibre is in place. Using Tameside's officer and political contacts with these sectors we can begin to build the business cases for connectivity.
- 10.7 A full risk register has been developed and will be maintained as part of the Project
- 10.8 Management and project governance.

## 11 **RECOMMEDATIONS**

- 11.1 See front sheet.

## APPENDIX 1

	<b>Greater Manchester Open Fibre Alliance consortium</b>	<b>CNI cooperative</b>	<b>Description</b>
<b>Tameside Metropolitan Borough Council</b>	Lead member	Member	Unitary authority
<b>Cooperative Network Infrastructure (CNI)</b>	Member		Cooperative consortium
<b>Core Integrated Solutions</b>	Named member	Member	Fibre deployment specialist
<b>ITS Technology Group</b>	Named member	Member	Telecoms operator/ISP
<b>Telcom</b>	Named member	Member	Telecoms operator/ISP
<b>Ashton Sixth Form College</b>		Member	Public sector contributor
<b>Blackpool Council</b>		Member	Unitary authority
<b>CBN</b>		Member	Expert adviser
<b>Concept Solutions People</b>	Named supplier	Member	Fibre network builder and operator
<b>Jigsaw Group</b>		Member	Housing association
<b>LinkIPnetworks</b>		Member	ISP
<b>Midcounties Cooperatives</b>		Member	Consumer cooperative (retail, telecoms, energy)
<b>Network Connect</b>		Member	ICT solutions
<b>NHS Tameside and Glossop CCG</b>		Member	Public sector contributor
<b>Pennine Care NHS Foundation Trust</b>		Member	Public sector contributor
<b>Tameside and Glossop Integrated Care NHS Foundation Trust</b>		Member	Public sector contributor
<b>Tameside College</b>		Member	Public sector contributor
<b>The 4OC Ltd</b>	Named supplier	Member	Project managers
<b>The Loop</b>		Member	Fibre network operator
<b>TNP</b>		Member	Telecoms operator/ISP
<b>Virgin Media</b>	Named supplier	Member	Telecoms operator/ISP
<b>Wood ITC</b>		Member	ICT solutions

# APPENDIX 2 - MEMORANDUM OF UNDERSTANDING

Dated  July 2019

## MEMORANDUM OF UNDERSTANDING

Between

(1) Tameside Metropolitan Borough Council

and

(2) Telcom Infrastructure Limited

and

(3) ITS Technology Group Limited

and

(4) Core Integrated Solutions Limited

and

(5) Cooperative Network Infrastructure Limited

and collectively known as the Greater Manchester Open Fibre Alliance (Greater Manchester Open Fibre Alliance) Consortium relating to an agreement to collaborate in relation to a bid for the Greater Manchester Combined Authority Local Full Fibre Network Programme.

**THIS Memorandum of Understanding** is dated [x] July 2019

## **PARTIES**

(1) The Parties to this MOU are as detailed in the header of this document.

## **BACKGROUND**

- A. The Parties are entering into this Memorandum of Understanding (MoU) in order to collaborate in relation to a bid for the Greater Manchester Combined Authority Local Full Fibre Network Programme (the “Opportunity”).
- B. This MoU sets out the principles and the Parties’ intentions, responsibilities and mutual understanding in relation to their collaboration on the Opportunity.
- C. Upon the award of a contract by the Greater Manchester Combined Authority (GMCA) following a successful Tender submission by the Parties, the Parties agree to enter in to contractual terms with each other as required, as well as with the GMCA, in order to deliver the Project.

## **AGREED TERMS**

### **1 INTERPRETATION**

The following definitions and rules of interpretation apply in this MoU.

#### **1.1 Definitions:**

**Allocated Work:** [xxxxxxx]

**Business Day:** a day other than a Saturday, Sunday or public holiday in England, when banks in London are open for business.

**Business Hours:** the period from 08:00 to 18:00 on any Business Day.

**Commencement Date:** the date when the MoU has been signed by the Parties.

**Control:** shall be defined in section 1124 of the Corporation Tax Act 2010, and the expression **change of control:** shall be construed accordingly

**Group:** in relation to a company, that company, any subsidiary or holding company, from time to time.

**Intellectual Property Rights:** patents, utility models, rights to inventions, copyright and related rights, moral rights, trade marks and service marks, business names and domain names, rights in get-up and trade dress, goodwill and the right to sue for passing off or unfair competition, rights in designs, rights in computer software, database rights, rights to use, and protect the confidentiality of, confidential information (including know-how and trade secrets) and all other intellectual property rights, in each case whether registered or unregistered and including all applications and rights to apply for and be granted, renewals or extensions of, and rights to claim priority from, such rights and all similar or equivalent rights or forms of protection which subsist or will subsist now or in the future in any part of the world.

**Invitation to Tender:** the invitation to tender issued by the GMCA, including any amendment to that invitation to tender issued by the GMCA from time to time.

**Main Contract:** [xxxxx]

**Operational Requirements:** [xxxxx]

**Programme Management Office:** the structure established for the effective, efficient and successful planning and execution of the Project during the bid and post contract award.

**Project:** As detailed in the Invitation to Tender.

**Proposal:** the formal proposal to be prepared by the Parties and submitted to the GMCA by the Parties, in response to any appropriate stage of a Tender process.

**Submission Date:** the date for submission of the Tender stated in the Invitation to Tender, or any other date for any part of the Tender process stipulated by the GMCA.

**Technical Design Authority:** the structure established for the effective, efficient and successful design and configuration and integrity network designed to deliver the Project during the bid and post contract award.

**Tender:** the formal tender to be prepared by the Parties and submitted to the GMCA by the Parties in response to any appropriate stage of a Tender process.

- 1.2 Clause, Schedule and paragraph headings shall not affect the interpretation of this MoU.
- 1.3 A **person** includes a natural person, corporate or unincorporated body (whether or not having separate legal personality).
- 1.4 A reference to a **company** shall include any company, corporation or other body corporate, wherever and however incorporated or established.
- 1.5 A reference to a **holding company** or a **subsidiary** means a holding company or a subsidiary (as the case may be) as defined in section 1159 of the Companies Act 2006 and a company shall be treated, for the purposes only of the membership requirement contained in sections 1159(1)(b) and (c), as a member of another company even if its shares in that other company are registered in the name of (a) another person (or its nominee) by way of security or in connection with the taking of security, or (b) its nominee. In the case of a limited liability partnership which is a subsidiary of a company or another limited liability partnership, section 1159 of the Companies Act 2006 shall be amended so that: (a) references in sections 1159(1)(a) and (c) to voting rights are to the members' rights to vote on all or substantially all matters which are decided by a vote of the members of the limited liability partnership; and (b) the reference in section 1159(1)(b) to the right to appoint or remove a majority of its board of directors is to the right to appoint or remove members holding a majority of the voting rights.
- 1.6 Unless the context otherwise requires, words in the singular shall include the plural and in the plural shall include the singular.
- 1.7 Unless the context otherwise requires, a reference to one gender shall include a reference to the other genders.

- 1.8 A reference to a statute or statutory provision is a reference to it as it is in force as at the date of this MoU.
- 1.9 A reference to a statute or statutory provision shall include all subordinate legislation made at the date of this MoU under that statute or statutory provision.
- 1.10 References to clauses and Schedules are to the clauses and Schedules of this MoU and references to paragraphs are to paragraphs of the relevant Schedule.
- 1.11 Any words following the terms **including, include, in particular, for example** or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms.

## 2 INTENDED ROLES OF PARTIES

- 2.1 For the purposes of contribution to the bid, each Party to the MoU intends to adopt the following roles:
- 2.1.1 **Tameside Metropolitan Borough Council** will adopt the role of lead consortium member and intends to act as the governance structure; coordinate with other GM Local Authorities; invest in the Project; provide financial underpinning where necessary.
- 2.1.2 **Telcom Infrastructure Ltd** intends to provide design capability as part of the Technical Design Authority; field engineering resources; develop the network to include commercial use; operate a retail sales capability over the commercial elements of the network; invest in the Project.
- 2.1.3 **ITS** intends to provide design capability as part of the Technical Design Authority; programme management support to the Programme Management Office; develop the network to include commercial use; establish the active network layer as an overlay and enable wholesale network provision; pro-active monitoring of the core network serving the public sector sites and commercial services; invest in the Project.
- 2.1.4 **Core Integrated Solutions Ltd** intends to provide design capability as part of the Technical Design Authority; programme management support to the Programme Management Office; contracted resources to build the network; reactive engineering resources for maintenance.
- 2.1.5 **Cooperative Network Infrastructures** intends to provide the Programme Management Office via 4OC, contractors to the consortium; the legal structure by which asset owners (including Local Authorities) can contribute their assets and investment to create a comprehensive and contiguous network; provide passive network connections to providers.
- 2.2 The Parties currently intend that these roles will be assumed during the Tender process and adopted in delivery of the Project if their bid is successful. However, the Parties acknowledge that at the time of signing the MOU, the consortium collaboration is very much in the early stages and that each Party's role may need to change and adapt as appropriate in response to the developing requirements of the Tender process and/or delivery of the Project. The Parties will, as part of working closely and collaboratively together, keep their roles under review and will meet regularly to discuss and revise their respective roles and responsibilities as required.

### 3 COMMENCEMENT AND DURATION

3.1 This MoU shall commence on the Commencement Date.

3.2 This MoU shall continue until whichever of the following occurs first:

- 3.2.1 receipt by any Party of written confirmation from the GMCA that it no longer intends to proceed with the Project;
- 3.2.2 a contract award for the Project to a party other than the Parties or receipt by the Parties of written notice from the GMCA that their submission has not been selected for the Project or is disqualified from tendering for it;
- 3.2.3 the failure of the GMCA to award the contract for the Project to the Parties within ninety days of the expiry of the validity period of the Tender;
- 3.2.4 the agreement of the Parties not to proceed with the Tender together;
- 3.2.5 the entry into the Main Contract by the GMCA and the associated contractual arrangements between the Parties and the GMCA; or
- 3.2.6 this MoU is terminated in accordance with clause 13 (Termination).

### 4 PREPARATION AND SUBMISSION OF THE TENDER

4.1 The Parties agree to work together in good faith to prepare the Tender for submission by the Parties to the GMCA by the Submission Date.

4.2 Each Party shall appoint a representative (together the **Parties' Representatives**) to co-ordinate the Parties' activities in connection with the preparation of the Tender.

4.3 All Parties shall play a role in the preparation and submission of the Tender and specified Parties shall have primary responsibility for managing the relationship with the GMCA and other sub-contractors or partners in relation to the Tender.

4.4 Each Party shall:

- 4.4.1 have sole responsibility for ensuring the accuracy and adequacy of the information contained in its part of the Tender;
- 4.4.2 keep the other Parties informed about its own progress in relation to the preparation of those parts of the Tender for which it is primarily responsible, including in relation to:
  - 4.4.2.1 issues of concern in relation to the Project;
  - 4.4.2.2 new developments and resource requirements; and
  - 4.4.2.3 compliance with deadlines;
- 4.4.3 supply to any other Party information and assistance reasonably requested by it to enable the other Party to prepare those parts of the Tender for which it is primarily responsible; and
- 4.4.4 review documentation in respect of the Tender as soon as reasonably practicable at the request of the other Party, and notify that other Party of



any errors or incorrect assumptions made in any of those documents of which it is aware.

Nothing in this clause **Error! Reference source not found.** shall require any Party to disclose to the others details of its proprietary cost or pricing data, including but not limited to wages and salaries, overheads and profits, such information not to be unreasonably withheld if it materially compromises the competitiveness of the Tender.

## 5 SUBMISSION OF TENDER

- 5.1 The Parties' Representatives shall jointly review a final draft of the Tender before its submission to the GMCA. Before submission of the Tender, all Parties shall confirm in writing its agreement to the content of the Tender and its commitment to fulfil those of its terms which concern the Allocated Work.
- 5.2 All Parties shall respond in a proper and timely manner to requests for assistance from the other Parties to enable them to respond to questions raised by the GMCA in its evaluation of the Tender. If required, the Parties shall procure the availability of suitable management and technical personnel to assist in presentations or briefings or other communications necessary to support the Tender and in any discussions and negotiations with the GMCA.
- 5.3 The Tender submitted to the GMCA shall contain the contribution of all Parties to the Tender and, where and if appropriate, shall declare the existence of this MoU agreed between the Parties.
- 5.4 No Party shall be liable to the other for the consequences of the GMCA's refusal of the Tender or any part of it or for the consequences of any withdrawal pursuant to clause 13.

## 6 AWARD AND AGREEMENT OF MAIN CONTRACT

- 6.1 The Parties will ensure each is notified:
  - 6.1.1 of any response to the Tender, of any award (whether or not in favour) and, if the award is in favour, when the Main Contract becomes legally effective; and
  - 6.1.2 of any change the GMCA makes to the Operational Requirements after submission of the Tender.
- 6.2 The Parties will agree with the GMCA the final form of the Main Contract and each Party will provide assistance as required in a constructive and timely manner. Such assistance may include resourcing for legal input and funding for legal support. The resourcing (including for legal support) in relation to negotiating the contract and contractual arrangements in the Tender process and the settling of the terms and documents thereafter, and any ancillary contractual arrangements, including between the Parties, will remain under review by the Parties and in particular, the funding of the required legal support.
- 6.3 The Parties shall agree in due course which of the Parties shall enter into the Main Contract with GMCA. This shall remain under review and further, may be subject to change during the Tender process or thereafter.

## 7 PARTICIPATION IN COMPETING TENDERS

- 7.1 Participation or co-operation with other parties is permissible providing such support does not compromise the integrity or competitiveness of this Opportunity and appropriate firewalls are respected.
- 7.2 Each Party shall procure that its officers, employees, agents, advisers and other representatives, and each member of its Group and their respective officers, employees, agents, advisers and other representatives, comply with clause **Error! Reference source not found.** as if they were a party to this MoU.
- 7.3 Nothing in this clause 7 shall restrict any Party's right to continue to conduct its business activities or arrangements that existed on the Commencement Date or that otherwise come into being outside the scope of this MoU. In particular but without limitation, nothing in this clause 7 shall prevent any Party from dealing in the ordinary course of their business with third parties who may be involved in the submission of a proposal competitive with the Tender or from soliciting for or tendering for business for projects similar to the Project.

## 8 CONFIDENTIALITY

- 8.1 **Confidential Information** means all confidential information (however recorded or preserved) disclosed by a Party or its Representatives (as defined below) to another Party and that Party's Representatives whether before or after the date of this MoU in connection with the Project, including but not limited to:

- 8.1.1 the existence and terms of this MoU;
- 8.1.2 the existence and terms of the Tender, the Main Contract and any subsequent contractual arrangements;
- 8.1.3 any information developed by the Parties in the course of the preparation and submission of the Tender; and
- 8.1.4 any information that would be regarded as confidential by a reasonable business person, relating to:
- 8.1.4.1 the business, assets, affairs, customers, clients, suppliers, plans, intentions, or market opportunities of the disclosing party (or of any member of the Group of companies to which the disclosing party belongs); and
  - 8.1.4.2 the operations, processes, product information, know-how, designs, trade secrets or software of the disclosing party (or of any member of the Group to which the disclosing party belongs).

**Representatives** means, in relation to a Party, its employees, officers, representatives and advisers.

- 8.2 The provisions of this clause 8 shall not apply to any Confidential Information that:
- 8.2.1 is or becomes generally available to the public (other than as a result of its disclosure by the receiving party or its Representatives in breach of this clause);

- 8.2.2 was available to the receiving party on a non-confidential basis before disclosure by the disclosing party;
  - 8.2.3 was, is or becomes available to the receiving party on a non-confidential basis from a person who, to the receiving party's knowledge, is not bound by a confidentiality agreement with the disclosing party or otherwise prohibited from disclosing the information to the receiving party;
  - 8.2.4 the Parties agree in writing is not confidential or may be disclosed; or
  - 8.2.5 is developed by or for the receiving party independently of the information disclosed by the disclosing party.
- 8.3 Each Party shall keep the other Party's Confidential Information confidential and shall not:
- 8.3.1 use such Confidential Information except for the purpose of exercising or performing its rights and obligations under this MoU (**Permitted Purpose**); or
  - 8.3.2 disclose such Confidential Information in whole or in part to any third party, except as expressly permitted by this clause 8.
- 8.4 A Party may disclose the other Party's Confidential Information to those of its Representatives who need to know such Confidential Information for the Permitted Purpose, provided that:
- 8.4.1 it informs such Representatives of the confidential nature of the Confidential Information before disclosure; and
  - 8.4.2 at all times, it is responsible for such Representatives' compliance with the confidentiality obligations set out in this clause.
- 8.5 A Party may disclose Confidential Information to the extent such Confidential Information is required to be disclosed by law, by any governmental or other regulatory authority or by a court or other authority of competent jurisdiction provided that, to the extent it is legally permitted to do so, it gives the other Party as much notice of such disclosure as possible and, where notice of disclosure is not prohibited and is given in accordance with this clause **Error! Reference source not found.**, it takes into account the reasonable requests of the other Party in relation to the content of such disclosure. The Parties acknowledge the applicability of the Freedom of Information Act 2000 and the Environmental Information Regulations 2004 to Tameside Metropolitan Borough Council.
- 8.6 A Party may, provided that it has reasonable grounds to believe that the another Party is involved in activity that may constitute a criminal offence under the Bribery Act 2010, disclose Confidential Information to the Serious Fraud Office without first informing that Party or the other Parties of such disclosure.
- 8.7 Each Party reserves all rights in its Confidential Information. No rights or obligations in respect of a party's Confidential Information other than those expressly stated in this MoU are granted to the other party, or to be implied from this MoU.
- 8.8 Subject to clause **Error! Reference source not found.**, on termination or expiry of this MoU, each Party shall:

- 8.8.1 return to the other party all documents and materials (and any copies) containing, reflecting, incorporating or based on the other Party's Confidential Information;
  - 8.8.2 erase all the other Party's Confidential Information from computer and communications systems and devices used by it, including such systems and data storage services provided by third parties (to the extent technically practicable); and
  - 8.8.3 certify in writing to the other Party that it has complied with the requirements of this clause, provided that a recipient party may retain documents and materials containing, reflecting, incorporating or based on the other Party's Confidential Information to the extent required by law or any applicable governmental or regulatory authority. The provisions of this clause shall continue to apply to any such documents and materials retained by a recipient party, subject to clause **Error! Reference source not found.** (Termination).
- 8.9 If the GMCA awards the contract for the Project to the Parties, they shall negotiate in good faith to agree terms on which:
- 8.9.1 each Party may continue to use the other party's Confidential Information; and
  - 8.9.2 each Party may retain and use documents and materials containing, reflecting, incorporating or based on the other Party's Confidential Information,
- for the purpose of performing their respective obligations in respect of the Project.
- 8.10 Except as expressly stated in this MoU, no Party makes any express or implied warranty or representation concerning its Confidential Information.

## 9 INTELLECTUAL PROPERTY

- 9.1 This MoU does not transfer any interest in Intellectual Property Rights. All Intellectual Property Rights developed or created by a Party in the preparation of the Tender (**Created IPR**) shall be owned by that Party. Any Intellectual Property Rights developed or created by a Party in relation to the Project, the Main Contract or any subsequent contractual arrangements shall be dealt with in separate subsequent agreements.
- 9.2 Each Party grants to the other Parties an irrevocable, perpetual, non-exclusive, personal, royalty-free licence to use its Created IPR to the extent necessary for the other Parties to carry out their obligations under this MoU and in relation to the Tender, the Project, the Main Contract and any other related contractual arrangements.
- 9.3 Each Party shall immediately give written notice to the other Party of any actual, threatened or suspected infringement of the other Party's Intellectual Property Rights (including Created IPR) of which it becomes aware.

## 10 EMPLOYEES AND NON-SOLICITATION

- 10.1 Each Party shall allocate:

- 10.1.1 to the preparation of the Tender and the performance of work to be performed under any contract resulting from the GMCA's acceptance of the Tender only such personnel who have the skills and experience necessary to enable them to perform effectively the tasks assigned to them; and
- 10.1.2 a sufficient number of such personnel to enable it to fulfil effectively its obligations under this MoU and any contract resulting from the GMCA's acceptance of the Tender.
- 10.2 A Party shall not, without the prior written consent of the other relevant Party, at any time from the Commencement Date to the expiry of six months after the date of termination or expiry of this MoU, solicit or entice away from that Party or employ or attempt to employ any person who is, or has been, engaged as an employee of that Party in relation to the preparation or submission of the Tender.
- 11 **ANTI-BRIBERY**
- 11.1 All Parties shall in relation to this MoU:
- 11.1.1 comply with all applicable laws, statutes, regulations, and codes relating to anti-bribery and anti-corruption including but not limited to the Bribery Act 2010 (**Relevant Requirements**);
- 11.1.2 not engage in any activity, practice or conduct which would constitute an offence under sections 1, **Error! Reference source not found.** or **Error! Reference source not found.** of the Bribery Act 2010 if such activity, practice or conduct had been carried out in the UK;
- 11.1.3 comply with the other Party's Ethics, Anti-bribery and Anti-corruption Policies, in each case as that Party or the relevant industry body may update them from time to time (**Relevant Policies**);
- 11.1.4 have and shall maintain in place throughout the term of this MoU its own policies and procedures, including but not limited to adequate procedures under the Bribery Act 2010, to ensure compliance with the Relevant Requirements, the Relevant Policies and clause **Error! Reference source not found.**), and will enforce them where appropriate;
- 11.1.5 promptly report to the other party any request or demand for any undue financial or other advantage of any kind received by it in connection with the performance of this MoU; and
- 11.1.6 immediately notify the other Party (in writing) if a foreign public official becomes an officer or employee of it or acquires a direct or indirect interest in it and warrants that it has no foreign public officials as direct or indirect owners, officers or employees at the Commencement Date);
- 11.2 All Parties shall ensure that any person associated with it who is performing obligations in connection with this MoU does so only on the basis of a written contract which imposes on and secures from such person terms equivalent to those imposed on that party in this clause 11 (**Relevant Terms**). Such Party shall be responsible for the observance and performance by such persons of the Relevant Terms, and shall be directly liable to the other Party for any breach by such persons of any of the Relevant Terms.

- 11.3 For the purpose of this clause **Error! Reference source not found.**, the meaning of adequate procedures and foreign public official and whether a person is associated with another person shall be determined in accordance with section 7(2) of the Bribery Act 2010 (and any guidance issued under section 9 of that Act), sections 6(5) and 6(6) of that Act and section 8 of that Act respectively. For the purposes of this clause 11, a person associated with a Party includes but is not limited to any subcontractor of that Party.

## 12 INDEMNITY

- 12.1 Each Party (**indemnifying party**) shall indemnify the other Parties (**indemnified party**) against all liabilities, costs, expenses, damages and losses (including but not limited to any direct, indirect or consequential losses, loss of profit, loss of reputation and all interest, penalties and legal costs (calculated on a full indemnity basis) and all other reasonable professional costs and expenses or incurred by the indemnified party arising out of or in connection with a breach or negligent performance or non-performance of this MOU.

## 13 TERMINATION

- 13.1 Any Party may terminate their participation in this MoU by giving one month's written notice to the other Parties:

13.1.1 before submission of the final Tender to the GMCA; or

13.1.2 following any material change to the Operational Requirements after submission of the Tender to the GMCA,

and in each case the terminating Party shall co-operate with the other Parties to the extent reasonably necessary to enable its role under this MoU to be taken over by another Party or by a third party.

- 13.2 Clause 13.1 is without prejudice to the Parties' right to agree between themselves that any one Party may exit the consortium and participation in this MOU (and the terms of such exit) at any time or that the MOU should terminate in full for all of the Parties.

## 14 DISPUTE RESOLUTION

In the event of any issue arising between any of the Parties, such issue will be notified to the other Parties and escalated to senior officials within the Parties for resolution.

## 15 ASSIGNMENT AND OTHER DEALINGS

No party shall assign, transfer, mortgage, charge, subcontract, declare a trust over or deal in any other manner with any of its rights and obligations under this MoU.

## 16 VARIATION

No variation of this MoU shall be effective unless it is in writing and signed by the parties (or their authorised representatives).

17 **NOTICES**

17.1 A notice given to a party under or in connection with this MoU shall be in writing and sent to the party at the address in this MoU.

17.2 The following table sets out methods by which a notice may be sent and, if sent by that method, the corresponding deemed delivery date and time:

<b>Delivery method</b>	<b>Deemed delivery date and time</b>
Delivery by hand.	On signature of a delivery receipt or at the time the notice is left at the address
Pre-paid first class recorded delivery post or other next working day delivery service providing proof of delivery.	At the time recorded by the delivery service].

17.3 A notice given under this MoU is valid if sent by email, providing it is also copied to the Parties Representatives.

18 **NO PARTNERSHIP OR AGENCY**

18.1 Nothing in this MoU is intended to, or shall be deemed to, establish any partnership or joint venture between the Parties, constitute any Party the agent of any other Party, or authorise any Party to make or enter into any commitments for or on behalf of any other Party. In the event of a contract award to the Parties, the relationships between the Parties shall be governed and determined by separate contractual arrangements between the Parties.

18.2 Nothing in this MoU shall be construed as providing for the sharing of profits or losses arising out of the effort of any of the Parties.

18.3 Each Party confirms it is acting on its own behalf and not for the benefit of any other person.

19 **COUNTERPARTS**

This MoU may be executed in any number of counterparts, each of which when executed shall constitute a duplicate original, but all the counterparts shall together constitute the one agreement.

20 **THIRD PARTY RIGHTS**

This MoU is not intended to give rise to any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this MoU.

21 **COSTS**

Each Party shall pay its own costs incurred in connection with the negotiation, preparation and execution of this MoU and in connection with the preparation and submission of the Tender and any documents referred to in it and no Party shall be liable for the costs and expenses incurred by any other Party.

22 **GOVERNING LAW AND JURISDICTION**

This MOU shall be construed in accordance with the laws of England and Wales and the Parties hereby submit to the exclusive jurisdiction of the courts of England and Wales.

Except for this Paragraph and clauses 8, 9, 12 and 20 to 22 which shall be legally binding, this MOU is no legally binding and the Parties acknowledge this MOU does not place them under any obligation to enter into any subsequent agreement or arrangement.

Signed by: )  
)  
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) \_\_\_\_\_  
Signature of Director  
\_\_\_\_\_  
Name of Director (PRINT)

Signed by: )  
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<b>Report to:</b>	<b>EXECUTIVE CABINET</b>
<b>Date:</b>	24 July 2019
<b>Executive Member / Reporting Officer:</b>	Councillor Leanne Feeley – Executive Member (Life Long Learning, Equalities, Culture and Heritage) Tim Bowman Assistant Director Education Tom Wilkinson Assistant Director, Finance
<b>Subject:</b>	<b>SCHOOLS STRATEGY UPDATE</b>
<b>Report Summary:</b>	<p>This report provides an update on the implementation of the schools strategy agreed by Executive Cabinet in August last year. This strategy assertively redefined and restated the Council's role in education and in relation to schools.</p> <p>The strategy emphasised the need for the council to become an honest and intelligent broker of school support as well as the glue in the system for schools linking wider children's services to the education system.</p> <p>The report also sets out the issues in relation to academisation of PFI schools.</p>
<b>Recommendations:</b>	<p>Executive Cabinet are asked to:</p> <ol style="list-style-type: none"><li>1. Discuss the implementation of the schools strategy, noting the positive feedback from the recent Peer Review (<b>Appendix A</b>) and the improved and positive relationships between senior education and finance officers and key stakeholders most notably Headteachers, the office and Regional Schools Commissioner.</li><li>2. Consider the approach to the academisation of PFI schools as outlined, noting that the Director for Children's recommends that TMBC officers should work with DfE officials to prepare the academisations of the Arundale and Pinfold Primary Schools to the Victorious Trust understanding fully that the risks of academisation have not been mitigated by an indemnity as the DfE are not prepared to go that far.</li></ol>
<b>Corporate Plan:</b>	This report supports the starting well priority of the Corporate Plan, specifically the hope and aspiration objective. It is consistent with the Schools Strategy agreed by Executive Cabinet in August 2018.
<b>Policy Implications:</b>	These are set out in the report.
<b>Financial Implications: (Authorised by the statutory Section 151 Officer &amp; Chief Finance Officer)</b>	As set out in section 5.
<b>Legal Implications: (Authorised by the Borough Solicitor)</b>	The legal documentation issued by the DfE seeks to ensure that the Academy is liable for making the payments due to the Council for it to pass on to the PFI provider. In a circumstance when all PFI schools are academies, the Council would act as an intermediary between the academy and the PFI company and ultimately guarantor.

To date the Council's position has been that in order to consent to any PFI conversion the Council are held harmless/indemnified for (a) the legal costs to the conversion process and the Council insist that these be met by the converting schools and (b) all liabilities under the contract caused by the default of the school by the DfE on the basis that Academies and MATs generally have limited Funds to the extent of grant monies provided by the DfE whereas the liability under the PFI agreements extend to tens of millions of pounds.

A number of residual risks remain with the Council in its liability to pay the PFI provider, its reliance on the continued income in the form of PFI credits, the DSG regulations allowing the top slice and collection of the academy's contribution. This has not been a problem with those PFI schools that have converted elsewhere, but some residual risk remains. The likelihood of these materialising are low. However, in light of the Council's position and the residual liability, the Council's external auditor previously raised this as a risk in its annual report dated 28 August 2013 and received by the September 2013 Audit Panel. Consequently, the Council agreed that it would only agree to circumstances where it was provided with a DfE indemnity. The DfE do not agree to provide an indemnity but advise that in the 5 years since the Council's external Auditors made their recommendation, they have given greater comfort to Local Authorities in their standard documentation.

On the 24 May 2018, representatives from the Council's legal, finance and education services met with the DfE, Academies Regional Delivery Group, and the Chief Executive, Victorious Academies Trust, and Headteacher of Arundale Primary School to discuss the potential conversion of Pinfold and Arundale PFI Schools to academy status and to join our Trust. It was confirmed at the meeting that:

- Tameside Council has no objections in principle to schools becoming academies but cannot subsidise any costs for any works associated with any conversions, particularly PFI's where the costs can be substantial.
- Where schools wishing to convert are PFI's the Council needs to ensure that once the schools have converted that the authority has no additional liabilities, cost or risks if the school or the Trust fails to make the payments or is in breach of the contract in any way.
- The DfE confirmed that they have worked with Councils, Trusts and schools to convert over 150 PFI schools to academies, some of which are local, in Salford and Oldham. There are more PFI conversions in the pipeline and they stated this is a well embedded process with a suite of standard documents, all available at [Model PFI documents](#).
- Tameside confirmed their support for having a range of choice for families in Tameside and those academies within the Trust form part of this. The Authority is supportive of the Trust, particularly as the Trust works closely with the Council.
- The Trust confirmed that they, along with the schools are happy to fund the costs associated with the legal processes required by the Council for a PFI conversion but that they are

a small Trust with limited funds and therefore it is imperative that they have an understanding of what these costs will be at the start of the process. *The Trust would also look to the Council to ensure that the costs provide value for money and will be cognisant that any costs required to be funded by the Trust will come from public money and we have a duty to ensure that it is spent with regularity, propriety and compliance.*

It was agreed that in order to enable the Cabinet to review its current stance in light of the external auditors concerns on record, external legal advice will be obtained on the strength of the DfE's covenants/commitments set out in their standard documentation and the risks that would be retained by the Council.

This report now confirms that there are significant issues to be considered. Whilst no decision is risk free the question that members are required to ask themselves is whether the benefits achieved by academisation outweigh those in the event that the Council is required to pick up the financial risks in circumstances where it will not have control.

Members need to consider whether this is an appropriate risk balance and/or share bearing in mind that on an enforced academy by the DfE because school inadequate DfE bear the risk but where the Local Authority looking to support and intervene before inadequate is an outcome, the Council carry the risk for the remainder of the PFI contract some 15 or more years.


These are set out in the report.

**Risk Management:**

**Background Information:**

<b>APPENDIX A</b>	Tameside: School improvement peer review - Post-review summary of key findings
<b>APPENDIX B</b>	Independent Legal advice obtained on level of indemnity provided
<b>APPENDIX C</b>	formal response from Vicky Beer (Regional Schools Commissioner)

The background papers relating to this report can be inspected by contacting Tim Bowman, Assistant Director Education

 Telephone: 0161 342 2050

 e-mail: [tim.bowman@tameside.gov.uk](mailto:tim.bowman@tameside.gov.uk)

## 1. INTRODUCTION

- 1.1 In August 2018, a refreshed “Schools Strategy” was discussed and agreed by Executive Cabinet. This strategy assertively redefined and restated the Councils role in education and in relation to schools. The strategy emphasised the need for the council to become an honest and intelligent broker of school support as well as the glue in the system for schools linking wider children's services to the education system.
- 1.2 The report also sets out the issues in relation to academisation of PFI schools.
- 1.3 In agreeing the strategy Elected Members agreed to seek the necessary legal advice on the strength of the DfE's covenants / commitments set out in their standard documentation and the risks that would be retained by the Council, to enable the Cabinet to review its current stance on academisation of PFI.
- 1.4 This report provides an update in two parts, firstly, on the implementation of this strategy and secondly, in relation to the academisation of PFI schools.

## 2. IMPLEMENTATION OF THE SCHOOLS STRATEGY

- 2.1 Whilst reasserting and restating the role of the Local Authority (LA) our schools strategy clearly noted that the role of the LA has changed stating that:

*“we need to have really effective relationships with all schools, with the DfE and RSC team - we need to plan together to ensure schools are part of a sustainable partnership with each other. And we need to be an honest and intelligent broker of school support and be the glue in the system for schools linking wider children's services to the education system”*

- 2.2 To this end we have taken steps to build and maintain relationships through regular meetings, keep in touch discussions and other opportunities for engagement. We have implemented a clearer strategic approach to school support and for the wider education service, this has been underpinned by more aspirational objectives for all our children and more rigorous approach to discharging our statutory responsibilities.
- 2.3 Critical to this has been the agreement to a clear set of education priorities endorsed by the Education Attainment and Improvement Board, SLT and Board. This has been communicated to schools.
- 2.4 These priorities and the analysis that underpins them are reflected in our corporate plan in its starting well priority. Reading is firmly established as a corporate priority expressed through our Tameside Loves Reading campaign and the commitment to it has been clearly demonstrated by senior leaders across the single commission.
- 2.5 To review the impact of this work. We recently took part in a Peer Review of our school improvement functions. A copy of the Peer Review report is included at **Appendix A** to this report. The report concluded positively that there is, *growing confidence in the systems and processes around the school-led school improvement systems which are developing in Tameside.*

## 3. ACADEMY SCHOOLS

- 3.1 The Schools Strategy agreed last August noted that:

*“Tameside’s current policy position on academisation is a neutral one that respects the role of School Governing Bodies as being best placed to determine the strategic plans which will best drive improvement for their school.”*

3.2 The strategy did not seek to change this policy position. Rather it noted:

*“This is a sound approach, which enables us to work effectively with the RSC and DfE, at the same time as supporting those which wish to remain as maintained schools.”*

3.3 However, it did assert that the council could not be passive in these discussions and that as a system leader and advocate for all children in the Borough it *must* have a clear voice in determining the future of all Tameside’s schools and *must* be concerned with the long term sustainability and viability of its schools.

3.4 Partnerships between schools are vital to their success. They increase the sustainability of schools financially and provide a vehicle to share the highest quality practice and maximise the impact of outstanding leaders. In Tameside there are too many small or standalone academies and too many maintained schools not seeking formal partnerships with others.

3.5 Our schools strategy is bold in this respect, clearly stating that our explicit strategic objective should be:

*“For a relatively small number of outstanding locally led MATs who can work with the Local Authority to drive improvement, and for that we need a more assertive approach in which we expect to be a key influencer, we expect to be included in school’s early thinking about academy conversion and their options, and we expect to work with the RSC’s team to shape the MAT landscape in Tameside.”*

#### **4. THE ACADEMISATION OF PFI SCHOOLS - BACKGROUND**

4.1 A number of PFI schools have converted to Academy status across the country. To support this the Department for Education (DfE) have produced some standard documentation to aid the novation of contracts and the governing body agreements, to ensure that the PFI contracts and associated payment profiles remain intact. Additional funds are also provided to PFI schools seeking academisation, to mitigate increased legal costs.

4.2 Tameside has 10 PFI schools. A number of these schools sought and investigated academisation between 2012-14. Tameside unlike many other Local Authorities has not progressed the academisation of any of its PFI schools.

4.3 To date the Council’s position has been that in order to consent to any PFI conversion the Council are held harmless/indemnified for (a) the legal costs to the conversion process and the Council insist that these be met by the converting schools and (b) all liabilities under the contract caused by the default of the school by the DfE on the basis that Academies and MATs generally have limited Funds to the extent of grant monies provided by the DfE whereas the liability under the PFI agreements extend to tens of millions of pounds .

4.4 A number of PFI built schools are still seeking to academise, most notably Pinfold and Arundale primary schools who are seeking to join the Victorious Academy Trust. These schools first registered their interest in 2012.

4.5 In August of 2018, Executive Cabinet considered a new schools strategy. Contained in this paper was a proposal to reconsider the Council’s position on PFI academisation.

- 4.6 The key issue causing the council concern in relation to the academisation of PFI schools is an issue of financial risk not one of policy. The council is concerned that the model documents issued by the DfE relating to the conversion of PFI schools to academies (Model Documents) may leave TMBC exposed to certain risks that TMBC did not previously bear.
- 4.7 In discussion with Department for Education officials the council received assurances that these risks were mitigated by an indemnity contained in the model documents at conversion. The council have not been convinced that this assurance is sufficient mitigation for our risk.
- 4.8 In order to clarify these issues Elected Members agreed to seek the necessary legal advice on the strength of the DfE's covenants / commitments set out in their standard documentation and the risks that would be retained by the Council, to enable the Cabinet to review its current stance on academisation of PFI.
- 4.9 The advice has been sought and is attached at **Appendix B** to this report. The advice is focused on the following specific questions:
- What are the key risks associated with conversion of the schools to academy status?
  - Do the Model Documents fully protect TMBC from the risks associated with the Academy occupying the schools?
  - If not, what risks remain with TMBC
- 4.10 In summary, the advice details the nature of the residual risks to the council noting them reduced but not removed. This advice has been discussed by senior officers and shared with DfE officials. A formal response from Vicky Beer (Regional Schools Commissioner) is contained at **Appendix C** to this report.

## **5. FINANCIAL BACKGROUND**

- 5.1 Tameside have entered into contracts for and with project companies to design, build, finance and operate PFI schools with suppliers, a Special Purpose Vehicle (SPV).
- 5.2 The SPV borrows from the banks to finance the building of the new school and Tameside have a contract to repay the SPV over the life of the contract (25 – 30 years). These payments are Unitary Charge to SPV to cover the costs of
- Repayment of borrowing
  - Interest on borrowing
  - On-going running costs (Hard FM Costs - repairs, maintenance and Soft FM Caretaking, Cleaning Catering etc.)
  - Lifecycle costs (Capital and revenue) replacement cost furniture
- 5.3 The contracts in place at Tameside are with two suppliers:
- Albany – Covering Pinfold, Arundale and Alder Schools
  - Inspired Spaces – Mossley Hollins, Hyde CC, Denton CC, Thomas Ashton, St Damians, Tameside Pupil Referral Service (Whitebridge and Elmbridge)
- 5.4 The cost of these contracts are paid directly by the Council to Albany and Inspiredspaces and the funding of these are as follows:
- PFI Credits – grant from Government to cover costs of build, paid over 25 - 30 years.
  - Contribution from Schools – to cover the cost of maintaining the schools
  - DSG Top Slice to cover the lifecycle costs of building;

- Council contributions, this is only the case for the Inspired Spaces Contract due to income received from Council shareholding in the SPV funded from DSG;
- Devolved Formula Capital
- Interest on cash balances from PFI related reserves;
- Third party income from lettings.

5.5 The contractual obligations between the SPV's and Tameside Council will not change as a result of a school converting to Academy.

## 6. ADVICE AND NEXT STEPS

6.1 Further advice on the academisation of PFI schools has been sought and further assurances from DfE officials provided. Although the advice and correspondence is inconclusive, in that it does not confirm that all risk to the council has been removed, it does clarify their limits and likelihood.

6.2 In order to reconsider the position of the Council advice from education, finance and legal must be considered and balanced. Financial and legal comments are provided at the front of this report. Advice from the Assistant Director Education is set out below.

### *Advice from the Assistant Director Education*

6.3 Central to the delivery of our schools strategy and achieving our objective to *be a key influencer* is resolving the issue of the academisation of PFI schools. There are three reasons for this.

- Firstly, we do not wish to be in conflict with RSC's team, we are seeking to be an effective and robust partner. Tameside is unique amongst local Authorities in not progressing the Academisation of PFI schools. Conflict on this issue will limit our ability to *influence* future decisions. There are a number of key decisions about Academy sponsorships which are due to be made.
- Secondly, we wish to support local multi academy trusts to achieve a sustainable size. If we do not progress the academisation of Pinfold and Arundale schools, we risk unintentionally creating *another* too small MAT in the borough.
- Thirdly, if we are to achieve a well-planned and effective local network of schools we must grow sustainable local multi academy trusts. To do this we must ensure that our best school leaders are able to join, establish and grow MATs.

In summary, the potential financial risks of progressing PFI academisations must be balanced against the risk to the implementation of the Council's schools strategy. Progressing the academisation of PFI schools, should it be sought by individual governing bodies, *will* increase the Council's ability to deliver its schools strategy, increase our ability to be a credible, effective and trusted partner to schools and the DfE and most importantly support the sustainable improvement of schools in the borough to the benefit of children, young people and their families.

## 7. CONCLUSION

7.1 This report has outlined the potential *financial* risks inherent in progressing the academisation of PFI schools.

- 7.2 As noted in section six of this report the potential financial risks of progressing PFI academisation must be balanced against the risk to the implementation of the Council's schools strategy.
- 7.3 The School Strategy agreed by Elected Members in August 2018 outlined a clear and ambitious vision for the council to follow. The implementation of this strategy has enabled the Council to make significant positive steps forward with its relationships with key stakeholders and embed a more structured and effective model for school improvement.
- 7.4 The schools strategy also boldly outlined what the council *must* do to lead and influence the school system and its composition. In relation to academies this role is understood to include the need to have *a more assertive approach in which we expect to be a key influencer* of the system, and to oversee a more sustainable model with fewer small and standalone academies and more larger local Multi Academy Trusts.
- 7.5 Therefore, it is recommended that:
- The academisation of PFI should be progressed.
  - TMBC officers should work with DfE officials to prepare the academisations of the Arundale and Pinfold Primary Schools to the Victorious Trust,

## **8. RECOMMENDATIONS**

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





## Tameside: School improvement peer review

Post-review summary of key findings

### Part 1: Overall reflections on the local system, strengths and priorities

#### Overall summary (4-5 sentences to sum up the “health” of local support for school improvement arrangements)

School improvement in Tameside has been subject to a period of significant turbulence during which it has lost the confidence of some of its heads.

There is now a completely new Leadership team in place, supported by a newly appointed DCS and lead member who have acted swiftly to identify priorities, clarify roles and responsibilities and build confidence in the system.

As a result there is growing confidence in the systems and processes around the school-led school improvement systems which are developing in Tameside.

#### Key strengths and areas of effective practice

Education is a high priority for Tameside Council. The lead member is knowledgeable, enthusiastic and committed to education.

Local Authority (LA) priorities have been Identified, disseminated, understood and agreed with schools and the LA is beginning to take key actions, in which schools are involved and engaged.

The new team are highly respected. They have outlined a clear vision and there is increasing confidence in their capacity to deliver.

There is an increased understanding from schools that the system leadership role of the LA in School Improvement is to identify need via data and local intelligence, signpost/facilitate/broker support, monitor impact and identify and share good practice.

The LA is beginning to work effectively with System leaders and relationships are strong. Projects underway on key issues demonstrate good partnership working.

#### Key priorities for development for local support for school improvement

The Tameside Primary Heads Consortium (TPC) School Improvement Committee, supported by the LA, should review its role and expand its membership to ensure that all partnerships are represented. This group should then consult and agree on guidelines for effective partnership working and provide a vehicle to gather and disseminate information about good practice and areas for development.

The LA need to clarify the protocols for Associate Headteachers (AHTs) appointed to support vulnerable schools so that all parties are clear about their roles and responsibilities.

The new team have made an excellent start but are concerned that there is insufficient capacity to develop and realise the vision. The council should consider allocating additional resource to support implementation, as this will lead to faster progress in delivering the ambitious targets that have been set.



## Key findings on priority areas

Education is a high priority for the council. The lead member has a clear understanding of the key education priorities. She underlined the importance of linking these priorities into culture in particular and other areas of the Council in general. There is a lot of work going on to raise the profile in the local press and at local events Regular reports are provided to Cabinet Executive. The lead member holds joint meetings with the Director of Children's Services and Education Lead and more regular meetings with the Education Lead. She also values the meetings with counterparts in Oldham as these provide a valuable opportunity to share good practice and discuss common issues to the benefit of all. She chairs the Education Improvement and Attainment Board, which has representation from officers, heads, councillors and unions. She has attended primary heads meeting and a planned visit to secondary heads is imminent. She intends to visit every school over time to talk about issues and priorities to inform her meeting with the Assistant Director .She also has regular conversations with local councillors and residents, listens to what they have to say and follows it up. Schools value the commitment of the elected member.

The LA's priorities for school improvement are known and understood with a particular focus on reading and SEND. Headteachers also mentioned school readiness, EYFS, phonics, getting every school to good, developing effective cluster work, raising attainment and progress, progress of disadvantaged, LAC and mental health and wellbeing. Colleagues confirmed that officers have worked hard to get the main priorities across and engage schools in working in partnership to address them.

There is a general understanding that the role of the LA in school Improvement is to identify need via data and local intelligence, signpost/facilitate/broker support, monitor impact and identify and share good practice. Some primaries also referred to facilitation/coordination of moderation. Schools are also clear that the LA has a responsibility to signpost to external support as well as internal expertise.

The new team have outlined a clear vision and a good strategic overview. There is increasing confidence in their capacity They are all permanent posts, outward facing, more proactive in working with stakeholders and have a more joined up approach. The Assistant Director is providing a clear steer in terms of moving to a system led, collaborative model. The team acknowledge that they are not an advisory service and are very clear about what they should and should not do.

Officers have identified the key issues and are building good relationships They are keen to consult with heads both individually and collectively and use this information to take action. Some schools embrace their independence and a minority do not engage with the local system. Officers are injecting pace and a sense of urgency. They are clearly focused on delivery e.g. reading interventions in place, EYFSA project funded and in place.

The current team have made an excellent start but the council need to consider some additional investment in this team in order to support the implementation phase as officers are currently covering an enormous amount of work which may not be sustainable in the longer term.

There is a great variety of partnerships and variations of practice within them. Some are more active and rigorous than others. The picture is complex and it is difficult to capture and analyse what is going on. Some schools are involved in a variety of clusters (diocesan, geographical, new heads group, maths hPage 86/SEN). However some schools are not



clear about how to engage and some do not see the benefits at this stage. Partnership activities include providing mutual support, sharing data and areas for development and supporting wellbeing. Others spoke of peer observation, book looks, learning 3s, co-coaching, looking at good practice in each other's schools, support for NQTs, work on maths and curriculum design and shared training for schools. Many heads were of the view that the partnership was more about networking and mutual support rather than challenge, but the quality of relationships evidenced in particular by primary heads will provide a good basis for future development.

TPC maintains an overview of all aspects of primary education, wider than school improvement. It provides a helpful vehicle for two-way dialogue and consultation, as well as sharing good practice and discussing common issues. The minutes are shared with all Head and officers attend these meetings.

Tameside Association of Secondary Heads (TASH) meets five times per year and deals with all aspects of secondary and post 16 education. They have tried clusters of 4 as a vehicle for sharing good practice but with limited success. They are currently doing a visioning exercise with a focus on partnership working for a purpose. This has involved relationship building.

Support for vulnerable schools is largely brokered by the LA to a team of AHTs. These are experienced heads with effective practice, some of whom have other designations such as LLE or Ofsted inspector. The LA has a highly valued data support team and good data and knowledge of the schools ensures that the categorisation process works well. AHTs are carefully matched with vulnerable schools and relationships are described as professional and challenging. AHTs are generous with their time. Involvement ranges from a couple of days of analysis by AHT to more sustained support involving other members of the AHT's school. LA involvement ranges from autonomy, to close support and involvement. There is a need to develop greater consistency of communication and paperwork relating to brokered work. Some colleagues talk of completing proformas, others record activity, other are not providing anything to the LA. Clarification is needed with regard to how the LA monitors, quality assures and judges the impact of the work of AHTs. Supported schools state that officers are responsive to their needs and always willing to listen. They now feel confident to ask for support where needed.

## Part 2: Key findings under each area of the peer review framework

### Area 1: Strategic leadership

There is a clear vision for supporting school improvement, shared by all key strategic leaders. The strategy for translating this vision into practice is still in its early stages but is developing at pace and in partnership with schools. The LA is working hard to develop a clear understanding of partners' respective roles and responsibilities in supporting school improvement.

### Area 2: Identification of priorities for supporting school improvement



The LA's priorities for school improvement are known and understood as attendance, reading and SEND. There are clear and agreed arrangements in place for gathering and sharing pertinent data and strategic leaders make rigorous and intelligent use of data to inform decisions about support for school improvement.

**Area 3: The effectiveness and impact of support for school improvement**

Support is provided swiftly and effectively for individual schools and there is evidence of the impact of this work. Support for crosscutting themes is developing at pace.

**Part 3: Next steps**

Please use the space below to capture key next steps agreed between the “host” local authority and the peer review team – for example, any specific actions that the “host” local authority will undertake and any agreed further support from the peer review team or the wider Greater Manchester group of local authorities.

Empty box for capturing next steps.

Victoria Ross: Salford LA

Martin Obermuller: Stockport LA

Margaret Woodhouse: GMLP

March 2019

## PFI Schools Academy Conversion

### Note of advice for Tameside Metropolitan Borough Council

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**Private & confidential | Legally privileged**

#### Background

Tameside Metropolitan Borough Council (**TMBC**) is in discussions with the Department for Education (**DfE**) regarding the possible conversion of Pinfold Primary School and Arundale Community Primary School (**Schools**) into academy schools (the **Proposed Conversion**).

The Schools were built under the terms of a PFI project agreement dated 19 June 2002 between TMBC and Pyramid Schools (Tameside) Limited (the **Project Agreement** and the **Project Co**). The Project Agreement will remain in force if the Proposed Conversion takes place.

TMBC is concerned that the model documents issued by the DfE relating to the conversion of PFI schools to academies (**Model Documents**) may leave TMBC exposed to certain risks that TMBC did not previously bear.

#### Specific questions

Therefore TMBC seeks answers to the following specific questions:

- what are the key risks associated with conversion of the schools to academy status?
- do the Model Documents fully protect TMBC from the risks associated with the Academy occupying the schools?
- if not, what risks remain with TMBC?

#### Summary of Advice

##### What are the key risks associated with conversion to academy status?

- (1) **The Unitary Charge Contribution Risk:** Following the conversion of the Schools to Academy status, TMBC will retain primary liability to pay the Unitary Charge to Project Co under the Project Agreement. Currently, a proportion of the Unitary Charge is contributed by the Schools. Following conversion of the Schools to academies, a proportion will continue to be contributed by the Schools, but the Schools as academies will be separate legal entities and no longer under the control of TMBC. In the absence of specific protection, the key risk to be

considered here is that if the Academy does not pay this contribution for any reason (for example as a result of breach of contract or insolvency), TMBC may not be able to recover this contribution, and yet TMBC will remain liable to pay the full Unitary Charge to Project Co (including the proportion that should have been contributed by the Academy). TMBC may also have to incur costs to recover monies due.

- (2) **The Academy Breach Risk:** Following Academy conversion, the Schools as separate legal entities will occupy the School buildings that were built and are maintained by Project Co under the Project Agreement. In occupation, the Academy may act in a manner that is not consistent with the terms of the Project Agreement (for example, its staff may "wilfully impede" Project Co and its sub-contractors in the performance of its duties, or it may cause damage to the buildings or M&E infrastructure). In the absence of specific protection, the key risk to be considered here is that in so doing they may crystallise a liability for TMBC to Project Co under the Project Agreement in circumstances where TMBC is unable to recover all the loss from the Academy (for example because the Academy becomes insolvent). TMBC may also have to incur costs to recover monies due.

**Do the Model Documents fully protect TMBC from the risks outlined above, and, if not what risks remain?**

- (3) Some protection is afforded by the Model Documents to TMBC. But TMBC is not fully protected from each risk. Consequently TMBC would have some limited additional exposure if the Schools converted to Academies.
- (4) In the Model Documents, the DfE gives an indemnity in favour of TMBC in respect of "Direct Losses" arising from "Normal Payment Matters" (the "**DfE Indemnity**"). The precise and specific meanings of these terms are outlined at paragraphs 2.5 and 2.6 below. As explained at paragraph 2.8 below, there are some heads of potential loss that are not covered by these specific meanings. Where this is the case, the DfE will not be liable under the DfE indemnity
- (5) In relation to the Academy Breach Risk:
- (a) TMBC's primary relevant protection is the benefit of a contractual obligation from the Academy not to cause TMBC to be in breach of the Project Agreement. If the Academy breaches this obligation, so that TMBC is liable to Project Co, then TMBC would have a contractual right to claim against the Academy to recover any loss suffered. Recovery of this loss would be subject to the usual "general law" requirements to substantiate a contractual claim. The Academy is therefore appropriately obligated to TMBC. But this obligation alone does not give TMBC comfort in relation to the risk that the Academy may default on its payment obligation (and this of course is the purpose of the DfE Indemnity);
- (b) as explained in more detail at paragraph 2.8 below, the DfE *may* in some circumstances under the DfE indemnity be liable for losses that TMBC suffer by reason of the Academy's breach. But not all heads of potential loss are covered, and the DfE is only liable to the extent to the extent it "reasonably determines" it should have such liability. Therefore TMBC does not have certainty that the DfE indemnity could be enforced in all circumstances;

- (c) as explained in more detail at paragraphs 2.9 to 2.12, TMBC has the benefit of some additional contractual protection where the Academy acts in "material" breach of the School Agreement, and this results in TMBC being in breach of the Project Agreement. In these circumstances TMBC may request that DfE intervenes under DfE's intervention rights (which are set out in the Academy articles of association and/or funding agreement), and may request compensation for direct losses incurred as a result of the breach. But DfE has discretion as to whether or not it takes TMBC's requested action, and TMBC cannot force it to do so. Therefore TMBC cannot be certain as to the value of this obligation. There is also some uncertainty as to exactly what breaches would fall within the scope of this contractual mechanic by reason of being "material", and this protection would not apply to "immaterial" breaches (including immaterial breaches of a persistent nature); and
  - (d) The Academy may cause TMBC to be liable to Project Co under the indemnities which TMBC provides to Project Co under the Project Agreement in respect of personal injury and property damage claims. Whilst the Model Document provides that the Academy will be "responsible" in such circumstances, the protection given falls short of being "back to back". TMBC may therefore be liable on an indemnity basis to Project Co under the Project Agreement, but to recover from the Academy TMBC would have to prove its contractual rights against the Academy (and potentially the DfE) on a different basis. This means that there could be a mismatch in the value of the recoverable amounts and the timing of recovery.
- (5) In relation to the Unitary Charge Contribution Risk:
- (a) the principal liability is expressly covered by the DfE Indemnity (see paragraph 2.6(a) below). Therefore, so long as the Model Document is appropriately drafted with accurate details of what the Academy should be liable for, TMBC can be comfortable in this respect; but
  - (b) as with the Academy Breach Risk, and as more fully explained at paragraph 2.8 below, not all potential heads of loss are covered.

## IN DETAIL

### 1 Background

- 1.1 The conversion of a PFI school into an academy is subject to a suite of Model Documents available from the DfE's website which regulate the relationships between the DfE, the Academy and TMBC.
- 1.2 The Project Agreement will remain in force between TMBC and Project Co, and the Academy will not become a party to it. TMBC will continue to pay for the services at the school through the Unitary Charge under the Project Agreement, but will no longer occupy the school site.
- 1.3 Grant Thornton has previously made a recommendation to TMBC to keep its PFI school contracts under review and, if a proposal were made to convert to academy status, to ensure that any agreement with an academy and DfE mitigated risk to TMBC associated with TMBC's obligations under the Project Agreement.
- 1.4 On the basis of the Grant Thornton advice, TMBC has adopted a policy that as a pre-condition of its consenting to any PFI school academy conversion it must be held harmless and/or indemnified for:
- (a) the legal costs to the conversion process by the converting school; and
  - (b) all liabilities under the contract caused by any default of the academy.

### 2 The Model Documents

- 2.1 The main documents that concern TMBC are:
- (a) the School Agreement to be entered into between (1) TMBC and (2) the Academy; and
  - (b) a Principal Agreement to be entered into between (1) TMBC (2) the Secretary of State for Education and (3) the Academy,
- together the **Model Documents**.

#### School Agreement

- 2.2 The School Agreement governs the relationship between the Academy and TMBC in relation to the ongoing Project Agreement. Under the School Agreement (amongst other things):
- (a) the Academy agrees not to take any action, or fail to take any action, which would cause TMBC to be in breach of the Project Agreement (clause 3.2); and



- (b) the Academy agrees to pay the Relevant Proportion prior to the due date for payment by TMBC of the Unitary Charge under the Project Agreement (clause 12.1). The Relevant Proportion is expressed as a percentage of the 'Adjusted Schools Budget', namely a sum of money which TMBC would otherwise have allocated to the school if it were not converted. The calculation methodology is blank in the Model Document.

### Principal Agreement

- 2.3 Under the Principal Agreement, the DfE agrees (amongst other things) to cover certain potential costs and losses which may be incurred by TMBC. Clause 4 (Normal Payment Matters) details the mechanism by which the DfE agrees to pay certain costs which may fall due from the Academy to TMBC but are not in fact paid.
- 2.4 Under clause 4.1 of the Principal Agreement, the Academy indemnifies and holds harmless TMBC for "**Direct Losses**" that arise out of "**Normal Payment Matters**".
- 2.5 Direct Losses are "*all damages, losses, liabilities, claims, actions, costs, expenses (including the cost of legal or professional services, legal costs being on an indemnity basis) to the extent that TMBC is obliged to pay them to Project Co under the Project Agreement*".
- 2.6 Normal Payment Matters comprise the following defined elements:
- (a) *"failure by the Academy to pay to TMBC its contribution to the Project Agreement Unitary Charge when it is due and payable under the School Agreement;*
  - (b) *failure by the Academy to pay to TMBC vandalism costs contributions under the School Agreement to the extent that these are required to be paid to Project Co by TMBC under the Project Agreement;*
  - (c) *failure by the Academy to pay to TMBC amounts due under the School Agreement or Principal Agreement to the extent that they relate to amounts due to Project Co under the Project Agreement and DfE has expressly provided funding to the Academy to pay such amounts;*
  - (d) *failure by the Academy to pay to TMBC amounts due under the School Agreement in respect of insurance cost contributions, excess costs or deductibles to the extent they relate to payments due from TMBC to Project Co under the Project Agreement; and*
  - (e) *any other liability of the Academy under the Principal Agreement and the School Agreement to the extent that these relate to payments due to Project Co under the Project Agreement which the DfE reasonably determines should be payable to TMBC by the Academy."*
- 2.7 If a Direct Loss in relation to a Normal Payment Matter occurs, and the Academy does not pay the required amount to TMBC, TMBC can notify the DfE of the same and the DfE shall pay that amount to TMBC under clause 4.4 of the Principal Agreement. To this extent therefore, significant comfort is provided to TMBC. Put another way, the DfE indemnity would apply to

payments owed by TMBC to Project Co caused by the Academy where the loss suffered is a "Direct Loss" and it arose out of a "Normal Payment Matter".

2.8 However, it should be noted that:

- (a) limbs (a) to (d) of the definition of "Normal Payment Matters" are very specific in nature. The indemnity would apply to the principal liabilities associated with these matters (not including costs) so long as the "*TMBC is obliged to pay them to Project Co under the Project Agreement*". TMBC can therefore take significant comfort in relation to the principal liabilities referred to at paragraph 2.6(a) to (d) (including therefore the Authority Contribution Risk). But these limbs would not cover the Authority Breach Risk. And see paragraph 2.8(c) below in relation to costs.
- (b) limb (e) of the Normal Payment Matters" is wider and *may* mean that the indemnity covers principal liabilities (not including costs) in relation to the Academy Breach Risk. But under this Limb (e) TMBC can take comfort only where the DfE "reasonably determines" the indemnity should be paid. There is no definition, interpretation or guidance as to what would constitute a reasonable determination by DfE and therefore this is uncertain. DfE retains the benefit of being able to determine its own liability, in a manner that is not clear. This is not optimal for TMBC.
- (c) in respect of costs incurred in relation to the principal liabilities referred to at paragraph 2.8 (a) and (b), it is not clear that the DfE indemnity would apply. Specifically:
  - (i) where Project Co claims for costs against TMBC in respect of a breach of the Project Agreement caused by the Academy, TMBC would wish (and *may* be able) to argue that these costs should be recoverable under the DfE indemnity. But we think that the DfE could potentially argue that such costs do not fall within the definition of "Direct Losses" because TMBC would not be "*obliged to pay them to Project Co under the Project Agreement*" (i.e. because TMBC would be obliged to pay them under general contractual principles arising from breach rather than under the express terms of the Project Agreement); and
  - (ii) we do not think that any of (1) TMBC's own internal costs (2) TMBC's third party costs incurred dealing with the claim (such as legal fees) or (3) any additional third party costs of TMBC incurred in dealing with the circumstances that gave rise to the breach incurred in dealing with the claim would be covered for similar reasons. It is certainly the case that they are not clearly covered under the relevant wording, and our recommendation would be to make this clear should TMBC wish to be protected in these respects.

### DfE Comfort

2.9 DfE provides a degree of additional comfort under clause 14 of the Principal Agreement (**DfE Comfort**). Under this clause, if the Academy is in "material" breach of the School Agreement

which has placed TMBC in breach of the Project Agreement, then TMBC may request that DfE:

- (a) exercise its Intervention Rights under the Academy's articles of association and or funding agreement with the DfE;
- (b) take any reasonable action to the extent DfE is permitted to do so, such action to be agreed between DfE and TMBC, both acting reasonably; and/or
- (c) compensate TMBC for Direct Losses incurred as a result of the breach.

2.10 DfE will consult with TMBC and act reasonably in deciding how to respond to a request made by TMBC, but retains absolute discretion over the action it might take, providing that it acts reasonably.

2.11 It is worth noting that this comfort:

- (a) applies only to "material" breach of the School Agreement, and not to "any" breach of the School Agreement. The comfort is silent as to whether multiple, minor breaches may be subject of this comfort;
- (b) allows for compensation only of Direct Losses as referred to in paragraph 2.5 of this note, which may not be the full extent of TMBC's losses.

2.12 It is also worth noting that the extent that DfE has Intervention Rights are set out in the Academy's articles of association and or funding agreements, and would therefore require due diligence on a case by case basis to understand the nature and full extent of them.

### 3 Operation of Project Agreement indemnities

3.1 TMBC provides various indemnities to Project Co under the Project Agreement in relation to claims in respect of:

- (a) personal injury of any TMBC or a TMBC Party employee;
- (b) any third party injured by TMBC or a TMBC Party; and
- (c) in respect of any damage caused by the act or omission of TMBC or TMBC Party.

3.2 These Project Agreement indemnities are not varied by the entry by TMBC into the Model Documents. TMBC would therefore remain liable under these indemnities to Project Co. The definition of TMBC Party in the Project Agreement includes the Academy, teachers, pupils and visitors to the school.

3.3 To the extent that any such claim occurs, TMBC is still required to indemnify Project Co, even if the Academy or its employees or pupils were the actual cause. Under clause 21.4 of the School Agreement, if the Academy has caused such claims by its negligence it will be "responsible" for such claims, but does not explicitly include a "back to back" indemnity from the Academy to TMBC to the same extent that TMBC indemnifies Project Co.

- 3.4 If TMBC is liable to Project Co under a Project Agreement indemnity, TMBC's ability to recover from the Academy would therefore rely on establishing a contractual claim against the Academy on the basis that the Academy is responsible for the claim and should compensate TMBC's loss. The extent to which DfE would indemnify any amount that TMBC claimed was due from the Academy would also be subject to the same considerations discussed in paragraphs 2.8 and 2.9.

**Addleshaw Goddard LLP**

**Draft: 18 January 2019**

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for Education

Vicky Beer CBE  
Regional Schools Commissioner  
Lancashire & West Yorkshire  
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M1 2WD

Richard Hancock  
Director of Children's Services  
Tameside Metropolitan Borough Council  
Town Hall  
King Street  
Dukinfield  
SK16 4LA

Thursday 2 May 2019

Dear Richard

Thank you for the constructive approach you and your officers are taking towards finding a resolution to the PFI concerns in Tameside.

As you are aware Christine Wendel in my office has been in regular contact with Tim Bowman and has updated me. I was happy to hear about the collaborative work we are doing.

I note that following independent legal advice you still have some reservations around the Council's financial and legal risks in progressing the academisation of PFI schools.

I previously wrote to you to provide assurances that the Department provides an indemnity to local authorities (LA). The indemnity provided in the Principal Agreement underwrites the risk if the academy trust causes the LA to bear costs under the PFI contract. I can further advise that the Department has honoured previous requests from LAs to meet breaches though I should emphasise such breaches are extremely low in number.

I understand that you will be seeking advice from Cabinet in June on whether we can progress PFI schools' requests to convert. I am very mindful that Arundale and Pinfold Primary Schools submitted applications to join Victorious Academy Trust in 2012 and it would be especially helpful to get Cabinet agreement for us to work together to advance these requests. I know you are aware of the schools' interest in academisation and your officers have a good working relationship with the trust. It would be an ideal opportunity to work with you and your officers to get these off the ground as our first PFI projects. I hope that we can continue to work together closely

on the details as these projects progress and I suggest a proposed opening date of 1 January, 2020.

If there is any further support I can provide please do let me know. I look forward to hearing from you.

Yours sincerely,

A handwritten signature in black ink, appearing to read "V. Beer", with a long horizontal flourish underneath.

Vicky Beer CBE

Regional Schools Commissioner, Lancashire and West Yorkshire

<b>Report to:</b>	<b>EXECUTIVE CABINET</b>
<b>Date:</b>	24 July 2019
<b>Executive Member / Reporting Officer:</b>	Cllr Warren Bray, Executive Member for Transport and Connectivity Emma Varnam, Assistant Director, Operations & Neighbourhoods
<b>Subject:</b>	<b>REVIEW OF PARKING IN ASHTON TOWN CENTRE</b>
<b>Report Summary:</b>	<p>Following the introduction of the Cashless Parking System in Ashton Town Centre, and in accordance with the approval by Strategic Planning and Capital Monitoring Panel (9 October 2017), a review of the scheme has been undertaken and an emergency decision was made to suspend the scheme until a revised report could be submitted.</p> <p>This report looks at the options available to the Council in relation to traffic regulation orders in Ashton town centre.</p>
<b>Recommendations:</b>	<ol style="list-style-type: none"><li>1. That the Cashless Parking Scheme be withdrawn from 'on-street' and an advertisement for the revocation of the associated traffic regulation order be published.</li><li>2. Replace the scheme with one hour free parking and no return within two hours (Option 3), and advertise the associated traffic regulation order.</li><li>3. Complete the installation of bollards within the town centre as a measure of security and to introduce the operation of these bollards after a communications exercise with local councillors and businesses.</li></ol>
<b>Corporate Plan:</b>	This scheme aims to support economic growth and provide a safe environment for the general public in Ashton Town Centre.
<b>Policy Implications:</b>	This proposal supports the Council's policies to develop economic growth and deliver a thriving retail offer in town centres by providing the necessary transport infrastructure, including the availability of affordable and accessible car parking arrangements.
<b>Financial Implications: (Authorised by the statutory Section 151 Officer &amp; Chief Finance Officer)</b>	<p>If the proposals to reinstate the original scheme (Option 3) are implemented, there will be minimal further costs to be incurred relating to the fixing of the signs which will be funded through existing revenue budgets. The costs that have already been incurred relating to the Cashless Parking Scheme will not be recovered but these have already been reported in the 18/19 accounts.</p> <p>For the completion of the installation of the bollards in Ashton Town Centre, there are minimal remaining costs and these will be funded through existing revenue budgets.</p> <p>There will be no additional enforcement costs relating to this option as it will be covered within the existing contract.</p>
<b>Legal Implications: (Authorised by the Borough Solicitor)</b>	<p>The council's constitution has delegated authority to determine all highway matters of a strategic matter where there are objections received during the public consultation process.</p> <p>There is a clear rationale for doing something, however, given the</p>

reputational damage to date on this matter there needs to be a clear timetable for consultation and communication with the public. Parking is an issue where everyone has a view on a solution but it can be challenging and difficult to achieve consensus.

Members should have regard to the Council's statutory duty under S122 of the Road Traffic Regulation Act 1984 which is set out in **Appendix** .

**Risk Management:**

If the proposals to replace the scheme with a free hour of parking and remove the cashless scheme are approved, objectors to the new scheme have a limited right to challenge the Traffic Regulation Orders in the High Court.

**Access to Information:**

<b>APPENDIX A</b>	Table of Parking Activity in Ashton
<b>APPENDIX B</b>	Section 122 Road Traffic Regulation Act 1984

The background papers relating to this report can be inspected by contacting the report author Alan Jackson, Head of Highways and Transport



Telephone: 0161 342 2818



e-mail: [alan.jackson@tameside.gov.uk](mailto:alan.jackson@tameside.gov.uk)



## 1.0 INTRODUCTION

- 1.1 A report was submitted to the Strategic Planning and Capital Monitoring Panel in 9 October 2017, which reported the objections received to a scheme to introduce Cashless Parking in 140 on-street bays in Ashton Town Centre. In the scheme, customers would use a mobile phone to register their parking requirements and pay via the App.
- 1.2 The Strategic Planning and Capital Monitoring Panel supported the introduction of the scheme with recommendations to review the scheme on a 6, 12 and 18 month basis.
- 1.3 The scheme was introduced on 1 November 2018 with a 'soft introduction' where drivers were not issued with a penalty charge notice when offending and notices were put up to inform them of the parking duration and methods of payment. The scheme came in to full operation on the 19 November 2018.
- 1.4 The income raised by the scheme was also meant to be used to fund the introduction of bollards in the town centre to offer a safer area for pedestrians to shop. The cost of these bollards has already been funded from existing revenue budgets and the final installation work is ongoing.
- 1.5 Following a series of negative comments from both residents and the business community, a decision to suspend the operation was made and came into effect at 2.00pm on 7 January 2019.
- 1.6 As a result of this suspension of cashless on-street parking, there is unregulated parking taking place at these locations and this current situation must be addressed.
- 1.7 Following correspondence from the town team outlining the damage the current model is imposing on businesses in the town centre and their preferred option to go back to a limited time parking scheme. The Council is currently suffering reputational damage as a result of the existing model and it is therefore not sustainable.
- 1.8 This report is a focused piece of work on the current parking in Ashton Town Centre and will be followed by a borough wide review.
- 1.9 The options available to the Council to remedy the issues are explored below.

## 2. OPTIONS

- 2.1 There are four options available to the Council;

- |                 |   |
|-----------------|---|
| <b>Option 1</b> | Reinstate the cashless parking system as originally designed.   |
| <b>Option 2</b> | Remove the cashless parking system and continue with unregulated parking.   |
| <b>Option 3</b> | Remove the cashless parking system and return to the free limited waiting parking (one hour, no return in two hours). |
| <b>Option 4</b> | Introduce Pay and Display machines on-street and retain the cashless system as a means of payment.                    |

This will enable any method of payment to be taken and the pricing regime to be maintained. If this is introduced it will necessitate drivers to use the machine unless it is to park for a free half hour session. Enforcement officers will need to carry out observations to check that drivers are adhering

to the single free half hour sessions. Only one session per street would be allowed within the allotted no return time period of three hours.

2.2 For all of the options, the recommendation is to complete the installation of bollards within the town centre as a measure of security and to introduce the operation of these bollards after a communications exercise with local councillors and businesses.

2.3 The table below summarises the issues both for and against each option and associated risks and financial implications.

**Table 1 - Options Appraisal**

	<b>For</b>	<b>Against</b>	<b>Risks</b>	<b>Costs</b>
<b>Option 1 - Reinstate Scheme</b>	It can be re-introduced quickly.  Income to support safety measures.	Unpopular with residents and businesses.	Reputational risks.	Costs already incurred. There will be some minimal costs for re-fixing the signs.
<b>Option 2 - Remove Scheme</b>	Currently in operation.  Provision of free parking.	Free parking could be used all day – preventing a turnover of shoppers.  Loss of potential income.	Unpopular – all day free parking does not provide turnover for businesses	Costs already incurred will not be recovered.
<b>Option 3 - Remove Scheme &amp; Introduce Limited Waiting</b>	The public would welcome this option.	Removes the idea of paid parking on-street.	Potential for objections to scheme.	Costs already incurred will not be recovered. There will be minimal costs for the fixing of signage but this would be funded through existing revenue budgets.
<b>Option 4 - Reinstate Scheme &amp; Introduce Payment Machines</b>	It would only require machines to be introduced.  Income to support safety measures.	Cost of the machines, and difficulties locating machines on footways due to footway width.  The unpopular scheme would still be continued.	Damage to machines on-street.  Increased potential for personal attack to officers when emptying the machine cash boxes.	£162,000 initial set up costs or approx. 7.3 years to repay – see Table 3 in Section 3 below.

### 3. FINANCIAL IMPLICATIONS – COSTS AND INCOME OF THE SCHEME

3.1 The changes to the original tariff were supported in the report to Strategic Planning and Capital Monitoring Panel. The report indicated that the scheme would pay for itself within the first year, however the scheme would run at a loss if the vast majority of drivers made use of the first free half hour only.

- 3.2 The costs that have been incurred in introducing and running the scheme are in Table 2 below, together with the associated income that was received while the scheme was in operation.
- 3.3 The income figures from the scheme cover the period between 1 November 2018 to 7 January 2019. These indicate that there were three times as many people parking for free than paying for parking in the first 37 days of the scheme being on-street, with full details of the schemes operation included in **Appendix 1**.

**Table 2 – Scheme Expenditure Costs and Actual Income  
(Income split into time periods/costs of parking)**

<b>EXPENDITURE</b>					
<b>Item</b>			<b>Cost</b>		
Signs + Posts + Lining			£28,486		
Handheld machines			£460		
Publicity (photocopies)			£30		
Training			£200		
Removal of signs			£180		
Traffic Regulation Orders			£2000		
<b>Total Expenditure</b>			<b>£31,356</b>		
<b>INCOME</b>					
<b>Period</b>	<b>Fee</b>	<b>Number of sessions booked</b>	<b>Parking Fee</b>	<b>Actual Net Income*</b>	<b>Projected Annual Income (if parking levels stay the same)</b>
Up to 30 mins	£0.00	4798	£0.00	-\$575.76	-\$4,191.00
Up to 60 mins	£1.00	1502	£1,502.00	£1,321.76	£9,621.18
Up to 120 mins	£2.00	1216	£2,432.00	£2,286.08	£16,640.54
	<b>Total</b>	<b>7516</b>	<b>£3,934.00</b>	<b>£3,032.08</b>	<b>£22,070.72</b>
<b>Net Cost To Date (total expenditure less actual income)</b>				<b>£28,323.92</b>	

\* There are transaction charges for each use of the app. For 30 minute parking slots which are free to the driver, a 12p transaction cost is incurred by the Council.

- 3.4 The scheme therefore has a current net cost of £28,323.92 at this point, but would be expected to return an annual income of approximately £22,000 if continued as per Option 1.

#### **4.0 FINANCIAL IMPLICATIONS – COSTS OF THE OTHER OPTIONS**

##### **Options 2 and 3 (Removal of the scheme)**

- 4.1 If there was a return to the previous free parking system, the scheme would have a net cost of £28,323.92 with no chance of any further financial recovery.

##### **Option 4**

- 4.2 Table 3 below contains the repayment details if the Pay and Display machines are introduced on-street with the existing payment regime.

**Table 3 – Repayment period for cash machines**

	<b>Cost</b>	<b>Total</b>
<b>Initial Set Up Costs</b>		
Pay & Display Machines x 28	£5,000	£140,000
Traffic Regulation Order	£2,000	£2,000
Operational Costs		£20,000
<b>Total</b>		<b>£162,000</b>
<b>Annual Costs (not incurred in 1<sup>st</sup> Year)</b>		
Maintenance / Replacement (20%)		£28,000
<b>Total</b>		<b>£28,000</b>
<b>Projected Annual Income (based on current income figures)</b>		
		<b>Income</b>
Up to 30 mins		-£4,191.00
Up to 60 mins (at £1.00)		£9,621.18
Up to 120 mins (at £2.00)		£16,640.54
<b>Total</b>		<b>£22,070.72</b>
<b>Repayment period in years</b>		
		<b>7.3 years</b>

4.3 The period of repayment for introducing cash machines (i.e. 7.3 years) makes the scheme cost prohibitive and it is not proposed to take this option forward. The cost of annual maintenance would not be partially offset during the repayment period and after that, when assessed against the projected annual income, would result in an annual net cost for this scheme.

## **5.0 PROPOSALS / PREFERRED OPTION**

5.1 As part of the initial support for the scheme, the Panel asked for the scheme to be reviewed at 6, 12 and 18 month periods which indicated the willingness to provide the most appropriate solution for parking options in Ashton and this is why this report has been brought forward.

5.2 Option 3 is the preferred option due to the level of complaints received against the scheme. This option proposes the reinstatement of the one hour free parking (with no return in two hours) and no necessity for the App based system.

5.3 This option also proposes to complete the installation of bollards within the town centre as a measure of security and to introduce the operation of these bollards after a communications exercise with local councillors and businesses.

## **6.0 FURTHER CONSIDERATION**

- 6.1 Whilst there is a national trend towards cashless purchases, it is worth future consideration whether to have the cashless option alongside current payment methods via cash machines on the pay and display car parks throughout the borough.
- 6.2 This will be considered alongside various options in a further report regarding a borough wide review of Council car parks following appropriate consultation.

## **7.0 RECOMMENDATIONS**

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

# APPENDIX A - Heat Map of Parking Activity in Ashton

Date	Hour of Day														Grand Total	
Hour	0	1	5	6	7	08	09	10	11	12	13	14	15	16	17	Grand Total
<b>2018</b>																
19-Nov						5	14	13	18	9	17	11	13	4	2	106
20-Nov						9	8	12	16	11	6	10	14	9	7	102
21-Nov					2	8	14	5	11	10	13	12	13	9	4	101
22-Nov					1	5	14	14	11	9	23	9	10	14	6	116
23-Nov					2	6	17	18	17	20	16	16	18	13	4	147
24-Nov					1	4	18	18	21	26	18	21	14	13	4	158
26-Nov					2	11	26	21	21	18	12	19	17	19	11	177
27-Nov		1			2	10	17	19	26	17	15	13	15	9	4	148
28-Nov		1			1	7	15	9	15	16	16	21	14	14	4	133
29-Nov					2	11	18	18	17	13	23	15	19	10	10	156
30-Nov					2	11	15	21	20	20	18	18	16	12	4	157
01-Dec						5	18	19	17	24	18	13	11	6	4	135
03-Dec						6	9	11	13	19	17	11	19	11	7	123
04-Dec						7	8	17	18	22	17	9	18	15	5	136
05-Dec					1	10	12	16	17	23	20	16	14	13	11	153
06-Dec		1			1	5	21	18	17	11	15	21	11	10	7	138
07-Dec						7	19	24	27	13	19	15	17	19	6	166
08-Dec					1	4	13	24	27	17	21	19	14	13	1	154
10-Dec					3	10	27	17	20	26	24	15	13	16	8	179
11-Dec					1	18	29	22	29	23	24	23	20	20	17	227
12-Dec					1	9	16	30	35	22	45	29	18	17	13	235
13-Dec					2	10	17	22	33	30	29	26	33	21	11	234
14-Dec					1	16	26	19	34	25	42	25	25	21	13	247
15-Dec		1			2	4	25	23	31	21	29	21	16	5	2	180
17-Dec					2	12	37	27	33	30	35	17	16	14	12	235
18-Dec					1	15	24	31	28	35	24	26	23	18	10	235
19-Dec					1	14	27	34	27	39	34	21	25	23	10	255
20-Dec					2	17	32	36	44	25	30	21	27	15	14	263
21-Dec					5	13	35	39	41	38	48	42	45	23	9	338
22-Dec					1	3	9	29	33	30	31	31	34	19	17	242
24-Dec					2	10	28	36	38	34	30	19	7	4		208
25-Dec								1	1	1			1			4
26-Dec						1	3	3	9	5	4	9	1		1	36
27-Dec					1	7	10	11	13	18	25	28	12	8	3	136
28-Dec						7	16	16	27	22	32	25	14	7	4	170
29-Dec						12	16	19	23	21	30	23	18	9	4	175
31-Dec					1	7	17	24	38	35	29	27	20	4	3	205
<b>2019</b>																
01-Jan										1	1	3		1	1	7
02-Jan		1			2	5	18	24	31	31	24	32	25	14	12	219
03-Jan					4	6	18	26	39	35	36	23	29	16	16	248
04-Jan		1			1	11	26	25	50	34	43	28	41	17	6	284
05-Jan	1					6	20	40	43	42	35	36	23	9	7	262
07-Jan					4	11	31	19	39	35	28	8	6	3	2	186
<b>Grand Total</b>	1	3	1	7	56	361	803	874	1065	957	1016	830	744	515	284	<b>7516</b>



# APPENDIX B

## Section 122 Road Traffic Regulation Act 1984

- (1) It shall be the duty of every local authority upon whom functions are conferred by or under this Act, so to exercise the functions conferred on them by this Act as (so far as practicable having regard to the matters specified in sub-section (2) below) to secure the expeditious convenient and safe movement of vehicular and other traffic (including pedestrians) and the provision of suitable and adequate parking facilities on and off the highway.
- (2) The matters referred to in sub-section (1) above, as being specified in this sub-section are:
  - (a) The desirability of securing and maintaining reasonable access to premises;
  - (b) The effect on the amenities of any locality affected and (without prejudice to the generality of this paragraph) the importance of regulating and restricting the use of roads by heavy commercial vehicles, so as to preserve or improve the amenities of the areas through which the roads run;
  - (c) The strategy prepared under Section 80 of the Environment Act 1995 (national air quality strategy);
  - (d) The importance of facilitating the passage of public service vehicles and of securing the safety and convenience of persons using or desiring to use such vehicles; and
  - (e) Any other matters appearing to ...the local authority.... to be relevant.