

# STRATEGIC PLANNING AND CAPITAL MONITORING PANEL

16 November 2023

**Commenced:** 2.00 pm

**Terminated:** 2.47 pm

**Present:** Councillors Cooney (Chair), Fairfoull (Deputy Chair), North, Feeley, McNally, Bray, L Boyle, McLaren and Dickinson

**In Attendance:**

Sandra Stewart	Chief Executive
Ashley Hughes	Director of Resources
Julian Jackson	Director of Place
Alison Parkinson	Director of Children's Services
Jane Sowerby	Assistant Director of Education
Emma Varnam	Assistant Director of Operations and Neighbourhoods
Tracey Harrison	Assistant Director of Adult Services
Thomas Austin	Senior Finance Manager

## 21 DECLARATIONS OF INTEREST

There were no declarations of interest.

## 22 MINUTES

The minutes of the Strategic Planning and Capital Monitoring Panel meeting on the 17 August 2023 was approved as a correct record.

## 23 PERIOD 6 2023/24 FORECAST OUTTURN - CAPITAL

Consideration was given to a report of the First Deputy (Finance, Resources & Transformation) / Director of Resources. The report reviewed the financial position for the Capital budget, including the forecast outturn position. The report was the second capital monitoring report for 2023/24, it summarised the forecast outturn position at 31 March 2024.

The Council's Capital Programme for 2023/24 to 2025/26 contained £118.794m of schemes, of which £113.956m were fully approved and £4.877m were earmarked. A major risk facing the programme was the ongoing inflationary and supply pressures in the construction sector, which limited the affordability of projects. This was worsened where projects were delayed into future years which meant the effects of inflation were further magnified.

Members of the Panel were presented with a breakdown of the capital programme by service area, which reflected the reprofiling requested in the period 3 capital update (£12.908m) along with other approved changes requested in the individual service area reports.

In regards to budget reprofiling, a total reprofiling of £1.024m was requested at month 6. It was noted that while the net reprofiling was £1.024m, there was movement both to and from the next financial year, with a significant reprofiling of funds into 2023/24 due to Hawthorns Primary progressing faster than previously anticipated.

Panel Members were advised that Capital reserves of £1.511m were available, of this £1.489m related to reserves held for specific schemes, Godley Green Garden Village and Stalybridge Heritage Action Zone. The remaining £0.022m was held in a general capital reserve.

Approved and earmarked schemes already in the capital programme for future years were reliant on £15.110m of capital receipts and reserves and therefore securing capital receipts would be vital to ensure the programme could be funded. Careful monitoring of progress in realising capital receipts must be undertaken to ensure that there was timely and pro-active disposal of assets and that the actual receipts were in line with projections.

The latest disposal programme forecasts £21.807m of receipts from 2023/24 to 2025/26. Disposals had been RAG rated to identify the level of risk associated with the realisation of the capital receipt. Of the total anticipated capital receipts in 2023/24, £0.045m had completed, £1.623m was rated as 'green', £3.037m was rated as 'amber' with conditions to be satisfied, and £0.945m was rated as 'red' with significant uncertainty over delivery. There was a further £4.897m of projected capital receipts in 2024/25 and £11.260m in 2025/26. Of the full three year disposal programme, £17.439m is rated amber and £2.721m is rated red.

Discussion ensued on the capital receipts received in recent years and the projected capital receipts in forthcoming years.

The Panel then considered each of the appended documents in turn. The Director of Place provided an update on the Development & Investment Capital Programme. It was highlighted that the Ashton Town Hall – Future Uses Study capital scheme was rag rated green. Additional grant funding, detailed at Capital Scheme Levelling Up Ashton would be utilised by 31 March 2025 to address immediate health and safety issues at Ashton Town Hall; works to the façade, the parapet and the interface with the roof were considered to be the current priority.

It was reported that the Stalybridge HAZ capital scheme, works started on site in August 2023 with completion of roof repair works scheduled for May 2024 and the remainder of the works to the building completing by Summer 2024. Access to the building during the restoration period will be strictly limited and the decant of existing occupants of the building to other sites in the Borough was completed in advance of the works commencing. The works to the building were progressing as per the agreed programme. Heritage Walk Public realm capital works along Market Street commenced in October 2022 and will complete in February 2024. The first stage between Melbourne Street and the bus station completed and opened to traffic in November 2023. The final stage between Melbourne Street and Trinity Street would complete by February 2024, with the delivery programme allowing of full access during the Christmas period.

The Director of Place advised that in regards to the Godley Garden Village, despite the positive outcome of the speaker's panel decision, delays to planning determination process had meant that the Council remained in breach of its Housing Infrastructure Funding (HIF) Grant Funding Agreement (GFA) with Homes England. It was now clear that the Council would not be in a position to draw down the full allocation of £10m, prior to the expenditure deadline of March 2024 and, despite best efforts, the project team had been unable to negotiate a further extension to the existing GFA. Homes England had confirmed, in principle, that the £0.720m already drawn down and expended, along with the £0.500m of revenue capacity funding, in preparation the planning application would not be subject to clawback. A remediation plan that would provide the process for termination of the GFA had now been agreed with Homes England. A report was being prepared for Executive Cabinet in December 2023.

An update was also provided on the Ashton Public Realm capital scheme, works on Stage 4 design had been completed and the scheme would now progress to the delivery stage by Spring 2024. Engagement sessions with key stakeholders, including market traders, had taken place throughout this detailed design phase and would continue in the lead up to the commencement of the delivery phase. It was proposed that the surplus LUF funding allocated against the former bus interchange site was repurposed to enable the delivery of additional key zones of the public realm that would further realise the vision for the town centre. These areas included the waste disposal facility between the Town Hall and Market Hall and associated landscaping, Warrington Street and Market Avenue. These areas were included in the recent planning permission for the site. The LUF contribution to Market Square and associated public realm in the surrounding area would therefore be increased from £11.2m to £14.1m. The proposal was to relocate the temporary market to

Fletcher Square, Market Street and Bow Street whilst the main construction works are underway to Market Square. This would enable the market to operate with minimal disruption and would ensure that progress on delivering the improvement works to Market Square can be made in line with the agreed funding timescales.

The Panel were then provided an update on the Corporate Landlord Capital Programme as set out in Appendix 2. The Director of Place advised Members that the three schemes detailed in Appendix 2 were all on track and had a green RAG rating.

The Assistant Director of Operations and Neighbourhoods delivered an update on Appendix 3 the Engineers Capital Programme. In regards to the walking and cycling programmes, it was reported that following design review by TfGM, of an active travel scheme at Crown Point Denton, the proposals were to be revised to look at improvements along the Denton to Hyde, A57 corridor, to make best use of the existing budget allocation of £1.950m. These proposals would be submitted to TfGM for their consideration and approval in due course to maintain a commitment to deliver a package of works by the March 2024 funding deadline. The timescales for this particular project were extremely challenging, however dialogue with TfGM remains positive. Design works had been completed for the Bee Network Crossings Project and the site works were scheduled to commence January 2024 by the council's delivery team, to be completed by March 2024 in order to satisfy the grant funding terms and conditions.

In regards to Bridge Structures and Inspections, it was reported that Works are complete for the scour protection works to Phantom Bridge, Ashton-under-Lyne. Three scour protection schemes have been prepared for Broadbent Hollows culvert, Mossley, Alma Bridge, Dukinfield and Caroline Street Bridge, Stalybridge. Procurement of the works was underway. Further, options for a solution at Victoria Street Embankment Hyde were being progressed following completion of the site investigation.

The Assistant Director of Operations and Neighbourhoods then provided an update on the Operations and Greenspace Capital Programme. The Panel were advised of the progress on works related to Children's Playground Facilities. It was explained that the funding was only to be used on health and safety repairs and was being split into three phases: Phase 1 was replacement of sand with wetpour and replacement play equipment. Phase 2 was the replacement of 5 timber multiplay units with new metal and plastic units. Phase 3 was replacement of play equipment and replacement of some grass matting with wetpour. Over the next 3-4 months the Council would continue to improve further play areas. The scheme was proposed to be completed by March 24.

In regards to Cemeteries and Crematoria, it was explained that now that the installation of the new cremators had been completed an essential upgrade to the interface between the chapel and the crematoria was required to accommodate bariatric coffins. Essential work to the Dias committal area required a double doorway constructing to allow for a bariatric coffin to be transferred safely into the crematory along with a new catafalque, canopy and committal curtain, lighting, decorating and acoustics. It was proposed that the cost of this, estimated to be £0.130m, would be met from the remaining cremator scheme contingency.

The Assistant Director of Operations and Neighbourhoods then delivered an update on the Fleet Replacement Scheme detailed in Appendix 5. Members were advised that Procurement had been delayed due to the need to obtain comparative quotes for lease/contract hire for some of the items, and it was therefore unlikely that any of the fleet expenditure would be incurred in the current financial year. Expenditure in excess of the scheme budget still required authorising and funding arrangements to be agreed. Fleet replacement for 23/24 had not started yet so this programme needed to be rolled forward to 24/25 and costs again are expected to be significantly higher than previous estimates.

## **RECOMMENDED**

### **That Executive Cabinet NOTE:**

- (i) The rep profiling of £1.024m of capital spend outlined in table 3**
- (ii) Other capital changes of £2.316m in table 7.**

- (iii) **The Capital programme position of projected spend of £46.946m, following Cabinet approval to reprofile project spend of £1.024m from 2024/25.**

**24 URGENT ITEM - HAWTHORNS SCHOOL, NEW BUILD - ADDITIONAL FUNDING REQUIRED TO INCREASE SCHOOL CAPACITY**

Consideration was given to an executive decision of the Director of Resources which was being made later that day owing to the urgency to progress the building work.

The report sought approval to allocate a sum of £46,162.38 for the amendments to the internal layout and fixings at the new Hawthorns SEND Academy to accommodate an additional 26 SEND pupil placements for pupils with additional learning and communication needs.

The Panel were advised that the average cost of a specialist independent primary place was £0.071m per year, compared to an average cost of £0.021m for a place at Hawthorns Academy. Whilst there was only 5 children placed at independent primaries, 3 of those began their placement in September 2023, as maintained specialist provision in the borough was at capacity. Increasing capacity at Hawthorn's to 26 could have a full year cost avoidance of £1.300m, and every independent placement avoided would avoid costs to the council of £0.050m per year.

It was explained that the DSG had a statutory override whereby accumulated deficits were ring-fenced in an unusable reserve and not a risk to the General Fund. This ring-fence was applicable to 2025/26. If the ring-fence was not extended, the DSG deficit would be considered to be supported by the General Fund from April 2026. As the Council was forecasting for a deficit of over £8m at the end of 2023/24, and expected this to remain broadly flat through the impact of the Delivering Better Value (DBV) programme in 2024/25, there would remain a deficit balance to mitigate of over £8m. The investment at the Academy for increased pupil places supported the Council's intentions to manage the DSG sustainably and effectively.

The £0.046m cost of the proposal could be met within the contingency budget of the Hawthorn's Academy build scheme. There was a total contingency budget of £0.500m with a remaining budget of £0.380m following prior drawdowns on contingency.

**RECOMMENDED**

**That the Director of Resources be recommended determine that:**

- (i) **Approval is given to allocate the sum of £46,162.38 for the amendments to the internal layout and fixings at the new Hawthorns SEND Academy to accommodate an additional 26 SEND pupil placements for pupils with additional learning and communication needs. The sum is made up of the Academy and council jointly funding the total costs of £83,931.60 to be split equally at £41,965.80 each with a 10% contingency allowance of £4,196.58 each. The net cost of £46,162.38 to be drawn down from the new Hawthorns scheme contingency.**
- (ii) **Any expenditure against the remaining budget will be monitored through the Strategic Planning and Capital Monitoring Panel (SPCMP).**
- (iii) **Approval be given to enter into a Legal agreement with the Academy to reimburse the Council for their share of the costs being £46,162.38 of the uplift with both the Academy and the Council contributing equal sums.**
- (iv) **That before the end of the year a further report is received by Board/Cabinet from the assistant Director of Education to address the intentions for the Audenshaw site currently occupied by Hawthorns, which as set out in paragraph 3.10 is required to be surrendered to the Council on occupation by the Academy of the new site.**

**CHAIR**