

Report To:	STRATEGIC PLANNING AND CAPITAL MONITORING PANEL
Date:	10 July 2017
Reporting Officer:	Damien Bourke - Assistant Executive Director (Sustainable Growth and Assets) Ian Saxon – Assistant Director (Environmental Services)
Subject:	CORPORATE ASSET MANAGEMENT PLAN UPDATE
Report Summary:	The attached report is intended to update members of the Strategic Planning and Monitoring Capital Panel with progress on the disposal of the Council's surplus assets, anticipated capital receipts that will be realised and investment that is required to maintain those buildings being occupied and retained or dilapidations arising from the termination of leases.
Recommendations:	That Strategic Capital Panel Members review the contents of the report and recommend to Executive Cabinet the: <ul style="list-style-type: none"> 1. Approval of the list of disposals identified in Appendix 1; 2. That the following schemes are financed via the Council's earmarked reserve for capital investment which is due to be considered in September 2017. The approval of £525,493 at this stage will be an initial call on the available resources. <ul style="list-style-type: none"> a) Capital schemes on corporate buildings detailed in section 3.3 of the report (estimate of £25,493) b) Initial refurbishment works at the Concord Suite, Droylsden (detailed in section 3.4) of £500,000
Links to Community Strategy:	To support the delivery of the objectives of the Community Strategy.
Policy Implications:	Expenditure in line with financial and policy framework. To assist in delivering a balanced budget and support the sustainability of the local economy.
Financial Implications: (As authorised by the Section 151 Officer)	Substantial work has been undertaken to vacate, market and dispose of a number of sites of land and buildings that are surplus to requirements. The schedule of 'properties for disposal but not yet completed' at Appendix 1 will allow the Council to reduce its asset portfolio further and thereby avoid ongoing revenue costs associated with these properties. To date it is worth noting that expenditure for these preparatory works amounts to £956,000 in relation to sites still to be disposed of. This expenditure will be carried forward into 2017/18 to be offset against the capital receipts generated from sales. All associated expenditure will need to be monitored to ensure the Council remains within the 4% maximum threshold for capitalising expenditure relating to the associated sale. Any expenditure which cannot be capitalised will need to be financed via the Council's revenue budget. The report details proposed capital works on corporate buildings

(section 3.3) of £25,493 and the initial refurbishment of the Concord Suite, Droylsden of £500,000 (section 3.4), a total of £525,493. It is important to note that a report on the Council's overall capital investment programme will be presented in September 2017 and that the approval of £525,493 at this stage will be an initial call on the available resources

The current approach to repairs and maintenance is purely reactive which does not allow the Council to undertake works in the most efficient or effective way. A repairs and maintenance strategy should be developed, which would support condition surveys on buildings and allow for a forward plan of works to be produced. This would need to be supported with an appropriate budget which has been identified within the 2017/18 capital investment program which is due to be considered in September 2017.

Legal Implications:
(As authorised by the
Borough Solicitor)

The challenge to the Council is to ensure that its estate makes an effective contribution to improving the council's financial and business performance; the service delivery agenda; resolving the pressure on demands for estate capacity; and achieving change with minimal capital expenditure. We need to ensure that the buildings and we need are fit for purpose and congruent with strategic service delivery. Accordingly, we need to have much more clarity and understanding as to the cost of ongoing repairs and maintenance and whether they are value for money.

We need to ensure going forward that the assets set out in appendices are clearly linked to the references on the Transparency List of properties published in line with legislation as this was committed to at the last meeting and there is currently no time scale for doing so.

We need to ensure that any repairs undertaken to properties fall within benchmarking to ensure achieving value for money.

Land advertised as public open space should not be sold until any objections have been addressed. The process needs to be kept under regular review.

Risk Management:

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

Access to Information:

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1. INTRODUCTION

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

2. DISPOSAL OF ASSETS

Disposal Strategy

- 2.1 In the financial year 2016/17 the total sales achieved amounted to £3,929,550. The Asset disposal process continues at pace with a sum of £431,000 achieved since 1 April 2017.
- 2.2 A public consultation exercise for the disposal of the five larger school sites has been completed and terms are agreed subject to contract for the sale of the former Samuel Laycock site. An outline planning application has been submitted for the former Mossley Hollins school site and Section 77 consultations are nearing an end in respect of the former Two Trees School. The master planning for the Windsor Road site in Denton is now almost complete and discussions regarding a disposal are at an advanced stage.
- 2.3 Continued focus is being placed on future Auctions with 6 sites being submitted in July 2017 and work ongoing for a number of sites to be potentially sold at future Auctions.
- 2.4 Properties being actively marketed for sale or lease will be advertised on the Council's website, in addition to the marketing agents websites. Where potential disposals will impact on tenants, for example sale of garage or garden plots, which have become too expensive to administer, written notification will be given to tenants in advance for the proposed sale.
- 2.5 In accordance with section 123 of the Local Government Act 1972 land, which is to be offered for sale at Auction, where appropriate the Councils intention to dispose of such sites will be advertised for two consecutive weeks in the Tameside Reporter. The advert will provide an opportunity for the public to make representations to the Council in writing. Any representations will be considered and responded to by the Assistant Executive Director, Asset & Investment Partnership management in accordance with the key decision: 'Disposal of Council Owned Land', dated 25 March 2015.
- 2.6 Leased Buildings - As reported at previous meetings of the Panel, the Council's policy is to terminate leases it has for buildings owned by others and to relocate services to surplus space in Council owned properties, where this delivers value for money, to reduce the revenue cost of operating and occupying buildings.

Appendix 1 provides additional information in respect of properties that have been identified for disposal or where tenants have sought to acquire the freehold of the properties that they lease.

Appendix 2 lists the Capital Receipts realised as at 21 June 2017.

Appendix 3 details briefly additional property work carried out by the team and achievements of note, such as securing increase at Rent reviews in favour of the Council, serving of break notices, any lease renewals and properties of note acquired.

3. INVESTMENT IN CIVIC AND CORPORATE BUILDINGS

3.1 Burlington Street MUGA

The site at Burlington Street, Ashton consists of a small park and multi-use games area (MUGA). This is a small pocket of greenspace in an otherwise relatively built up area, and the MUGA is well used by the local community for cricket and other games. The site was developed as part of Millennium Green project and a Trust was responsible for the management of the site. The Trust is no longer in existence and has not been maintaining the site. The site is now in poor condition and work is required to bring it up to standard and reduce the risk of any injury to any person using the site, and in turn reduce the risk of claims against the Council for slips, trips and falls. The proposed works below are estimated to cost £40,000 and will be financed from the revenue repair and maintenance budget within the corporate landlord service. It should be noted that the Council is now responsible for the ongoing management of the facility.

- Repairs to fencing of the MUGA
- Repairs to entrance way to MUGA
- Remove the carpet within the MUGA
- New paving slabs on pathway through the site
- Remove redundant timber posts.

3.2 To date there has been revenue building repair and maintenance expenditure of £120,000 on corporate buildings. There are further revenue funded works required to the buildings detailed in section 3.3 estimated to cost £72,000 It is therefore important to note that by the end of the first quarter of the 2017/18 financial year a sum of £232,000 will have been expended/committed (including the sum of £40,000 within section 3.1 of the report) from the £600,000 budget available. It is therefore essential that this budget is stringently monitored for the remainder of the current financial year

3.3 In addition to the revenue funded works detailed in the table below, there are capital related schemes required on corporate buildings which are also detailed in the table. A sum of £2,000,000 is proposed within the Council's capital investment programme to finance such expenditure. A report on the Council's overall capital investment programme will be presented in September 2017 and the recommendation to approve the estimated £25,493 for the schemes listed will be an initial call on the available resources.

Building	Estimate
	£
Revenue Expenditure	
Ashton Market Hall, upgrade heating plant	286
Birch Lane Family Support Centre, upgrade roofing system	4,311
Clarence Arcade No 31 , remedial works from Fire Risk Assessment	2,159
Concord Suite, Health & Safety electrical works	627
Copley Resource Centre, essential works to underground drainage system	1,776
Denton Centre (Acre Street), essential works to drainage system	3,995
Denton Resource Centre , health and safety floor repairs	4,988
Denton Town Hall , health and safety roof repairs	691
Droylsden Cemetery, health and safety roof repairs	1,169
Dukinfield Town Hall, health and safety roof repairs and associated internals	5,597
Fairfield Community Centre , health and safety roof refurbishment	6,456
George Lawton Hall , upgrade fire safety systems	780
Hattersley Children's Centre Aka Melandra Children's Centre, shutter door upgrade	343
Hurst Resource Centre , health and safety roof repairs	661
Hyde Depot , upgrade fire safety systems	644
Hyde Town Hall & new Annex guard rail, health and safety ceiling repairs	18,571
Hyde Youth and Community Centre , upgrade fire safety systems	796
Mossley Cemetery , upgrade heating plant	344
Mossley Youth Base , fire safety door	472
Ridgehill Children's Centre, health and safety structural repairs	1,179
Ryecroft Hall and Annexe, health and safety flooring/fire door	1,474
Stamford Park , roof upgrade	650
St Peters Children's Centre ,upgrade security access	550
Tameside Central Library , health and safety fire door	488
Tame Street Transport Services door, health and safety alarm system upgrade	5,541
Tame Street Depot Health and Safety roof works	897
Two Trees , roofing upgrade / fire security	4,722
Union Street, Hyde , security upgrade	2,161
Sub Total	72,327
Capital Expenditure	
Dukinfield Cemetery and Crematorium ,upgrade heating plant	2,003
Hyde Market Hall , upgrade fire safety systems and heating plant	4,049
Jubilee Gardens Children with Disabilities Centre, upgrade fire safety systems	7,357
Loxley House, legionella remedial and electrical upgrade	8,588
Stalybridge Civic Hall, upgrade fire safety systems	1,045
St Lawrence Road Children's Home , health and safety drainage upgrade	1,142
Wilshaw House (Vision First Centre) , upgrade fire safety systems	1,308
Sub Total	25,493
Total	97,821

3.4 **Concord Suite, Droylsden**

A proposal to refurbish Concord Suite Droylsden will be considered along with the wider capital programme at the September 2017 meeting of the Strategic Capital Panel. An estimate of £1,500,000 has been included in the programme. In order to ensure a timely reoccupation of the Concord Suite it will be necessary to spend in the region of £500,000 in the current financial year (2017/18). Approval is therefore sought at this meeting, to support the initial £500,000 in advance of the overall request being considered in September 2017.

4 RECOMMENDATIONS

4.1 As stated on the report cover

APPENDIX 1

List of Property Identified for Disposal but not yet completed at 21 June 2017.

N.B. This list only includes property above the value of £50,000

Property Address	Town
Former Hartshead High School site, Lees Road	Ashton
Land off Crowthorn Road (access off Birch Street)	Ashton
Park Bridge Visitor Centre	Ashton
Land at Queens Road / Fern Lodge Drive	Ashton
Land at Newmarket Grove	Ashton
Old Street / Dale Street East, AUL	Ashton
Land at former Katherine House, Katherine Street / Bentinck Street	Ashton
Wellington Works, Wellington Road / Uxbridge Street	Ashton
Land at Cavendish Street / Moss Street East / Cotton Street East	Ashton
Land north of Lindisfarne Road	Ashton
Land at Sunnyside, rear of 236-244 Newmarket Road	Ashton
Land adj. Audenshaw Cemetery (former depot)	Audenshaw
Groby Road playing fields (off Redmond Close)	Audenshaw
Two Trees School Site	Denton
Land at Windsor Road	Denton
Land at Kynder Street / Duke Street / Market Street	Denton
Denton Plant Nursery	Denton
Land at Hawthorn Road	Denton
St. Lawrence Children's Home	Denton
Landfill sites 1, 2 & 3 Windmill Lane	Denton
Land at Morningside / Fairfield Avenue	Droylsden
Land At Mellor Street	Droylsden
Land at Greenside Lane	Droylsden
Droylsden Canalside	Droylsden
Droylsden Library, Manchester Road	Droylsden
Land at Ashton Hill Lane (adj Lazy Toad Pub)	Droylsden
Land part of Droylsden Cemetery (former depot)	Droylsden
Former Dukinfield Youth Centre, Vicarage Drive	Dukinfield
Land rear of 55-113 Bennett Street	Hyde
Land at Leigh Street	Hyde
Land at Captain Clarke Rd	Hyde
Land at Broadway	Hyde
Rydal House	Hyde
Land at Leigh Fold	Hyde
Land adjacent to 222 Manchester Road	Hyde
1 Broadway	Hyde
Land at Victoria Street, Hyde (former parking area)	Hyde
Land at Pitt Street (2)	Hyde
Land at former Flowery Fields School	Hyde
Land at Arnside Drive	Hyde
Plots A & B Hattersley IE	Hyde
Land 5th Side Hyde Rd	Longdendale

Longdendale High School Bungalow	Longdendale
Mossley Hollins, Huddersfield Road	Mossley
Land adj to 39 Uxbridge Street	Ashton
Land between Carrhill Road & Stockport Road (AKA Cosgrove Gardens)	Mossley
Land between Greaves Street, Cross Street & Stockport Road	Mossley
Melbourne Street Car Park	Stalybridge
Land at Stalyhill Drive	Stalybridge
Former Samuel Laycock school, Mereside	Stalybridge
Land at Pine Road (next to St John's)	Stalybridge
Land at Wakefield Road / Pennine View	Stalybridge
Land at High Street (west of Pine Road)	Stalybridge
Land at High Street (east of Pine Road)	Stalybridge
Land at Lake Road	Stalybridge
Land at Wakefield Road / Carter Street	Stalybridge
Grazing land	Various
Residual Garage Sites	Various
M66 Highways Settlement	Various

APPENDIX 2

Completed Sales since 01 April 2017			
Property Address	Town	Completion Date	2017/2018 Completed Sales £
Land at Oaken Clough / Oldham Road	Ashton	23/05/2017	£86,000
Land at Williamson Lane / Ashton Hill Lane	Droylsden	23/05/2017	£40,000
Land rear of 51 Wedneshough Green	Hollingworth	09/06/2017	£1,000
Land corner of Markham Street / Dow Street	Hyde	23/05/2017	£80,000
Land at Nield Street	Mossley	23/05/2017	£191,000
Land at Wakefield Road (next to 387)	Stalybridge	23/05/2017	£22,000
Land at junction of Spring Street / Stamford Street	Stalybridge	23/05/2017	£11,000
Total			£431,000

APPENDIX 3

Acquisition of Leasehold Premises

Leases Completed since 01 April 2017:

Council land/property	Location	Rental income per annum (£)
New Leases to Tenants		
Unit 1 Plantation Industrial Estate	Ashton	£21,312 pa
Unit 8a Plantation Industrial Estate	Ashton	£13,000 pa
Unit 8b Plantation Industrial Estate	Ashton	£12,350 pa
Tenant Lease renewals		

Other Transactions /works of note completed by the Estates Team since the Last Report:

- Terminal Dilapidations claim against the Council at Greencroft house, Hyde of £86,647 - Lease expired 20 April 2017. Dilapidations claim in negotiation.
- Aeroworks 5 Adair Street, Manchester – Break date of 03 June 2016 exercised on behalf of Greater Manchester Public Health Network (GMPHN). Dilapidations claim against the Council ongoing.
- “Learn” at St Annes, Burlington St. Ashton- Adult Education- Lease terminated 13 April 2017. Dilapidations claim against the Council settled at £74,750

Rent Reviews: (increases above £1,000 p.a.)

April 2017 – June 2017

Hyde Physiotherapy Centre, Parsonage Street, Hyde	Rent Review 22.05.17	£3,250 pa increase
Land at Northend Road, Stalybridge	Rent Review 17.05.17	£2,800 pa increase