

STRATEGIC PLANNING AND CAPITAL MONITORING PANEL

9 October 2017

Commenced: 1.00pm

Terminated: 3.00pm

Present: Councillor K Quinn (Chair)

Councillors Dickinson, Fairfoull, B Holland, and Taylor

Section 151/Chief Finance Kathy Roe
Officer:

Also in attendance: Ade Alao - Head of Investment and Development
Alan Jackson, Head of Environmental Services (Highways and Transport)
Aileen Johnson, Head of Legal Services
Robin Monk, Director of Place
Paul Moore - Head of Planning
Ian Saxon, Assistant Director (Environmental Services)
Emma Varnam, Assistant Director (Stronger Communities)
Tom Wilkinson - Assistant Director of Finance

11. DECLARATIONS OF INTEREST

Members	Subject Matter	Type of Interest	Nature of Interest
Councillor Taylor	Agenda Item 11 - Leisure Assets Capital Investment Programme Update	Prejudicial	Chair of Active Tameside

12. MINUTES

The Minutes of the meeting of the Strategic Planning and Capital Monitoring Panel held on 10 July 2017 were signed by the Chair as a correct record.

13. OBJECTIONS TO PROPOSED PAID PARKING TRAFFIC REGULATION ORDERS, ASHTON TOWN CENTRE

The Assistant Director, Environmental Services, submitted a report outlining objections from local businesses and residents and community leaders to a proposed paid parking scheme which supported the changes and improvements in the public realm as a result of investments in the redevelopment of Ashton Market, the re-location of the college into the Town Centre, the planned Transport Interchange and other developments to support economic growth.

It was explained that, previously, the Council had supported proposals for the introduction of a more innovative approach to parking within Ashton, allowing the potential for Controlled Parking Zones where applicable, and the use of technological solutions for the payment of charges in the form of a cashless system.

A business case was developed and following a Key Decision, Traffic Regulation Orders advertised to implement the scheme.

Objections were received to the proposed traffic orders and the objections were upheld by the Council's Speakers Panel (Planning) on 25 May 2016 (Minute 3 refers) and the scheme did not progress.

Plans were drafted to improve further pedestrian safety by exploring the re-commissioning of rise and fall bollards on Old Street and re-visited the business case for the Town Centre pedestrian and traffic offer. The proposed location of new bollards and the location of existing bollards was displayed in the report.

In order to resource the introduction of the bollards and thereby restore the safe environment for shoppers visiting the town centre, the opportunity was taken to revisit the Paid Parking scheme that had previously been discussed.

Members were informed that in order to make new proposals for paid parking that withstood the demands of the modern customer, it was proposed to advertise for public comments a 'smart' and cashless system for on-street parking. The advertised proposals were attached to the report as **Appendix B**. Details of the objections to the advertised proposals were attached as **Appendix C** to the report.

It was reported that the reduction in the charges on town centre car parks had encouraged greater patronage of the car parks and increased footfall in the town centre. Under the proposals, there would be no changes to the off-street parking machines, i.e. cash would still be able to be used.

It was recognised that there was an opportunity to enhance the existing car parks within the town centre to make users more aware of their parking options. Intelligent signage could be installed to inform drivers of alternative car parks if the one they were approaching was full, either by smart app or by text and signage at the car park entrance.

In respect of controlled parking zones, it was explained that, in identifying which streets (and sections of streets) to introduce on-street paid parking, care was taken to ensure that areas with residential properties were not adversely affected and in order to mitigate any displaced parking to residential areas surrounding the town centre several residential areas had been questioned as to their support for the implementation of Controlled Parking Schemes. This would secure parking for residents, businesses and their visitors to the exclusion of others.

It was explained that, whilst historically, the Council had received many calls for the introduction of parking for residents and businesses within the town centre, the areas had been surveyed for residents comments and 'buy in' to any scheme. None of the areas surveyed met the level of support required to introduce a Controlled Parking Zone and it was not proposed to introduce a zone in any of the areas even if the wider scheme were to be supported by the Panel.

It was further explained, that, to support and meet the needs of both motorists and pedestrians, the Council utilised a whole range of Traffic Regulation Orders including; waiting restrictions, reduced speed limits, permit parking, loading only areas, taxi ranks, bus lanes and pedestrian only areas. To allow the introduction of a safer town centre environment it was proposed to introduce waiting restrictions throughout the town centre. Full details of the advertised Traffic Regulation Orders were attached to the report at **Appendix D**.

In view of the objections received, it was recognised that some changes to the proposals may help overcome potential difficulties that may be experienced by users of the highway or adjacent properties. The proposed potential changes were outlined in the report including the impact the changes may have.

It was noted that an Equality Impact Assessment had been completed regarding the proposals and was attached as Appendix H to the report. The Equality Impact Assessment identified a number of impacted groups and provided various mitigations in order to address the identified groups' needs.

Members were informed that 166 letters of objection had been received including a petition:

- 50 objectors had suggested that the proposals would have a negative effect on business;
- 43 objectors had raised issues relating to the proposed tariff;
- 32 objections related to the cashless system;
- 18 objections related to repeating the exercise;
- 12 objections related to the negative impact on residents; and
- 5 general objections including representations from the voluntary sector.

A number of objectors attended the meeting and all those who wanted to speak to the Panel for 5 minutes were given the opportunity by the Chair to voice their objections, which 13 objectors did, particularly with regard to:

- The introduction of half an hour free parking – this would deter people from stopping in the town centre to run small errands or visit the opticians, which may take longer than ½ an hour, but could be complete within the current offer of 1 hour free parking;
- Cashless parking system – objectors raised the issue that significant numbers of people did not have a phone which would enable them to download an app and that this was discriminatory towards older residents/visitors who were the least likely to own mobile phones. Issues were also raised with the payment method, in that it was considered that using a mobile phone to process a payment may make them more likely to be victims of crime. Details of an AA survey was circulated which claimed that: ‘Drivers were avoiding parking spots that required payment by phone as cash remained a more popular way to pay’. It was also suggested that Contactless payments be considered as an alternative;
- Effect on businesses in the town centre - a significant number of objections received from the business community, expressing the view that the town centre was in decline and that this scheme would encourage people to seek alternative places to shop at big supermarkets and out of town retail parks, where parking was free;
- Access to amenities such as dentists, opticians, community groups, library, post office, etc. A representative of the Church of the Nazarene made particular reference to significant number of activities that were based in the church and which provided support and services to some of the most vulnerable residents;
- The need for improved signage to available car parks;
- Keeping the ‘status quo’ – why was this not an option?
- Lack of consultation with local businesses;
- Residents Parking – Residents/licensees of the Lord Napier Public House explained that they needed to park close to their property as one was a blue badge holder who was unable to walk a long distance and they were the only residents on the street.

The Assistant Director, Environmental Services further read out objections from three objectors who were unable to attend the meeting, however wished for objections to be heard. These objections echoed many of the points above, in particular, the perceived negative impact on businesses.

The Assistant Director, Environmental Services responded to the points raised and explained the benefits of being able to park for ½ an hour and being able to extend this by paying for an hour, should the need arise, via the app, reducing the risk of incurring a fine. He further explained that currently double parking on Stamford Street occurred regularly and that maintaining the ‘status quo’ in respect of the current parking offer in the town centre was not an option.

Members were informed that the use of a Contactless system had not been explored as this would require greater infrastructure and incur increased cost. The Assistant Director added that the Council would not profit from the proposals and that any surplus monies must be reinvested in the scheme.

Members were further informed that signage to car parks could be improved and that this would be addressed.

Detailed discussion ensued with regard to the proposals and all the objections raised, and Members sought clarification on a number of issues, including:

- Use of the App;
- The reduction of charges on town centre car parks;
- Public transport options and the need for improved signage to car parks;
- The replacement of the existing bollards around the town centre;
- The particular needs of a number of the visitors using the Church of the Nazarene and the requirement for proposals for this area of Stamford Street to be revised; and
- The unique circumstances of residents/licensees of the Lord Napier Public House.

The Chair explained that the Council had a duty to consider the community as a whole and not just vehicles / drivers. He expressed the need to develop a system that was fair to all.

The Panel gave full consideration to the proposals/points raised, including all the comments/views/objections raised by members of the public in attendance at the meeting and it was:

RESOLVED

- (i) **That authority be given for the necessary action to be taken in accordance with the Road Traffic Regulation Act 1984 to make the following order, as amended: the TAMESIDE METROPOLITAN BOROUGH (ON STREET PARKING) (PAID PARKING) (ASHTON TOWN CENTRE, ASHTON-UNDER-LYNE) ORDER 2017 AND TAMESIDE METROPOLITAN BOROUGH (ASHTON TOWN CENTRE, ASHTON-UNDER-LYNE) (PROHIBITION OF WAITING, LIMITED WAITING, LOADING AND LOADING ONLY) ORDER 2017 as detailed in Appendix D and illustrated in Appendix E, Drawing No 001, 002, 003, with the exception of the proposals for the area of Stamford Street Central adjacent to the Church of the Nazarene and at the section of Albion Street outside the Lord Napier Public House.**
- (ii) **That further consideration be given to the proposals affecting:**
 - (a) **the area of Stamford Street Central, Ashton-under-Lyne adjacent to the Church of the Nazarene, in order to consider the particular needs of the Community Groups using the Church; and**
 - (b) **The section of Albion Street, Ashton-under-Lyne outside the Lord Napier Public House, in order to allow a resident parking space for the licensees, who are the only residents on the street.**
- (iii) **That the scheme be reviewed in 6, 12 and 18 month's time and a report produced to this Panel.**

14. CAPITAL INVESTMENT PROGRAMME: 2017/2020

Consideration was given to a report of the First Deputy (Performance and Finance)/Director of Finance setting out a proposed revised Capital Investment Programme for the period 2017-2020 of just under £170m.

The report summarised the latest capital programme based on information provided by project managers. The report also recommended additional projects be added to the programme together with the proposed funding for the updated three year programme. New prudential indicators were also required in order to align with the updated programme.

It was explained that the proposed three year Capital Programme had been produced following review and prioritisation of bids for Capital Investment during the summer of 2017. The proposed programme was based on this prioritisation exercise and a review of available resources.

It was further explained that the opportunity presented in the report for a major capital investment boost was unique. Members must be certain that the proposed schemes for inclusion in the programme represented the priorities that must be addressed over the next three years. The significant resources available were non-recurrent and would not be available in future years once applied to fund capital investment.

The ability to utilise the significant capital investment reserves was dependent on a stable revenue budget position. The proposed funding sources and affordability of the programme would need to be kept under regular review.

A high level summary of capital expenditure by service area was provided in the report.

The additional schemes proposed for inclusion in the revised Capital Investment Programme for 2017/18 to 2019/2020 were detailed in Appendix 1 to the report.

RESOLVED

That the following RECOMMENDATIONS be made to Executive Cabinet:

- (i) That the changes to the existing programme (Table 2) and the revised Capital Investment Programme (Table 5) for 2017/18 to 2019/2020 be approved;**
- (ii) That the allocation of funds to additional schemes (Table 4) be agreed in principle, subject to full business cases for each scheme;**
- (iii) That the Chief Finance Officer provide regular updates on the funding sources proposed for the Capital Investment Programme and the affordability of the programme; and**
- (iv) That all additional schemes (Table 4) submit a business case for consideration by Strategic Planning and Capital Monitoring Panel, prior to full approval by Executive Cabinet.**

15. VISION TAMESIDE PHASE 2 PROGRESS UPDATE

The Director, Place, submitted a report providing a progress update on project delivery, costs and funding, delivery timescales and risks associated with the Vision Tameside Phase 2 Programme, which included the new Shared Service Centre and the Streetscape Improvement Project.

It was reported that, since the last report to the Strategic Planning and Capital Monitoring Panel on 10 July 2017, good progress had been made with key elements of the Programme as follows:

- Demolition contract completed on 12 September 2016;
- Enabling works for construction commenced on 13 September 2016;
- Piling works commenced on 19 September 2016;
- Construction contract awarded on 22 November 2016;
- Steel beam signing ceremony had been held on 6 December 2016;
- Construction of foundations complete;
- Steel frame erection complete;
- Metal decking complete;
- Topping out ceremony on 21 June 2017; and
- Upper floor slabs complete.

Members were informed that, overall, it was believed that the project was making good progress with the position against projected programme currently being maintained. Current works on site included; internal fit out with first fix partitions and mechanical and engineering meaning some areas of the building were now substantially watertight.

It was noted that progress of the façade had experienced delays in the last reporting period however this had not had a critical effect. A mitigation strategy was in place.

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

There had been no accidents in the period, however there had been 1 health and safety incident involving a member of staff requiring hospital treatment for a non-work related condition.

Details were given of programme management, including:

- Vision Tameside Working Group;
- Communications;
- Building Design and Scope;
- Reviewable Design Data process; and
- Lease negotiations.

It was explained that, following previous Council approvals a Streetscape Improvement (previously described as public realm) project had been included within the scope and funding for the Vision Tameside Phase 2 programme. Concept designs were approved in October 2016 subject to detailed proposals and funding. Progress with the development of the Streetscape Improvement project to date was detailed.

It was further explained that, the funding package for the project relied on financial contributions from external sources including the GM Growth Fund Deals. In the Autumn Statement 2016, the Government announced £490 million for the local roads element of the National Productivity Investment Fund (NPIF) for 2018/19 and 2019/2020, to be allocated via a competitive bidding process. Based on the size of the national funding pot (£490 million), and the fact that Greater Manchester might expect at least a 7% allocation (£34 million) based on population, it was proposed to develop a bid around a central planning figure of £50 million. The existing GM priority was for a series of major schemes leaving scope, however, to include a package of minor schemes. As part of the Greater Manchester minor scheme considerations, Tameside would be submitted a bid for the 'Streetscape' works along Wellington Road and Albion Way. Successful bids were expected to be announced in autumn 2017.

Previous reports had highlighted the fact that not all the public realm would be completed when the new Shared Service Centre opened in 2018. However, the Public Realm Task Group was currently developing a clear plan to ensure that the public realm interface provided suitable access to the new building.

If the Council was unable to secure an appropriate funding package then options would need to be considered to ensure that this critical element of the Vision Tameside programme could be delivered. A further report would be provided with recommendations once the final funding position for the project was established in the autumn.

In respect of the recant plan, a detailed Vision Tameside Recant Plan was currently being developed to form part of a wider Council Office Accommodation Strategy, which would be implemented when the new Shared Service Centre was completed in summer 2018. It was noted that this was required expediently with costings as these were to be found from the contingency budget in the first instance.

It was reported that partnership work continued between Carillion and the Council's Employment and Skills team to maximise opportunities for local employment, apprenticeships, work placements and local supply chains. A summary of the outputs achieved to date was provided in the report.

An analysis of furniture, fittings and equipment for all elements of the scheme, was completed as part of the Stage 2 submission. The original £1.5 million budget for the Council and partners had been confirmed to be sufficient at Stage 2. The last report to the Strategic Planning and Capital Monitoring Panel on 13 March 2017, highlighted that the projected FF&E contribution from the DWP and CCG, was anticipated to be £432,000. However due to negotiations still underway with NHS Property Services, acting on behalf of the CCG, and recent design changes requested by the DWP, this contribution was under review.

In respect of Variation Notices and impact on Contingency Budget, it was explained that the programme currently had a contingency allowance of £696,680. In addition to administering all Variations in line with Clause 15 of the Design and Build contract a robust internal process, agreed with Legal Service and Finance, had been implemented to ensure all costs were carefully monitored and there was transparency in the decision-making process for any variations over £100K thereby reducing the Council's financial risk.

Details were given of the Council's variation notices approved since the last meeting of the Panel on 10 July 2017, with a total value of £119,765. A summary of 'other' costs, which exceeded the previously approved budget allowance, was also provided. Additional virements were therefore requested from the contingency budget for those identified overspends to a value of £56,969. It was summarised that the proposed variations reduced the Vision Tameside Programme contingency budget from £696,680 to £639,711 noting that the contingency budget would also be used to fund the recant requirements.

In terms of risk management, it was explained that the Vision Tameside Phase 2 programme had a comprehensive risk register and issues log which was pro-actively managed by the Project team.

In conclusion it was reported that, delivery of the Vision Tameside Phase 2 programme was key to the achievement of the Council's overall strategic priorities and a new exciting future for Tameside attracting new businesses, creating new jobs and future opportunities for Tameside residents.

It was important that the outstanding lease negotiations were progressed urgently to provide certainty around projected income and FF&E contributions.

Careful monitoring of the construction programme was required to ensure no further slippage thereby ensuring that the building could be open for business in September 2018.

Budget monitoring was critical to the successful delivery of this project to ensure costs were contained within the budget envelope. It was essential that the Reviewable Design Data process previously approved, continued to be reviewed, as a matter of urgency, following the instruction to change floor plan layouts.

Improvement to the public realm was critical to the success of the Vision Tameside programme and although good progress continued to be made with the design of the scheme, the delay in securing an appropriate funding package from external partners was putting the streetscape project at risk.

Following completion of the floor plan review, the work to develop a detailed Recant Plan could be progressed. Proposals would be the subject of a future report which was to be considered expediently.

Continuing to maximise opportunities for local employment, apprenticeships and work placements was contributing to economic prosperity in the Borough.

RESOLVED

That the following RECOMMENDATIONS be made to Executive Cabinet:

- (i) That the progress with the delivery of the overall Vision Tameside Phase 2 programme, be noted;**

- (ii) That the emerging risk associated with the delay in securing an appropriate funding package for the Streetscape Improvement project, be noted;
- (iii) That the budget variations and virements identified in Section 7 of the report, be approved;
- (iv) That the excellent progress being made to drawdown the £4 million Skills Funding Agency Capital Funding, be noted.

16. CORPORATE ASSET MANGEMENT PLAN UPDATE

The Director, Place, submitted a report updating Members of the Panel with progress on the disposal of the Council's surplus assets, anticipated capital receipts that would be realised and investment that was required to maintain those buildings being occupied and retained or dilapidations arising from the termination of leases.

With regard to the disposal of assets, it was reported that asset disposal process continued with a figure of £872,467 achieved since 1 April 2017.

A public consultation exercise for the disposal of the five larger school sites had been completed and terms were agreed subject to contract for the sale of the former Samuel Laycock site. The master planning for the Windsor Road site in Denton was now almost complete and discussions regarding a disposal were at an advanced stage.

Continued focus was being placed on future Auctions with one site being submitted in September 2017 and work ongoing for a number of sites to be potentially sold at future Auctions.

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

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

In respect of Investment in Civic and Corporate Buildings, it was reported that in July 2017, Heginbottom Mill, Ashton, was targeted by thieves who caused extensive damage to the original lead and slate tile roof. The theft coincided with a period of extensive and heavy rainfall, subsequent water ingress into the building caused major damage to the interior of the building. The interior damage resulted in teams being relocated to other buildings and an emergency exercise to ensure that valuable collections were safe from potential water damage.

A full inspection and survey of the remaining roof indicated that the criminal damage by the thieves and subsequent rain damage had taken the roof beyond the state of being able to economically repaired and the expert opinion recommended the reinstatement of a new roof. Work needed to be undertaken immediately and had now completed the cost of the new roof is £50,000.

In addition to the capital cost of the new roof the internal damage to the building was extensive and involved repairs to internal structural features, ceilings, flooring, electrics and soft furnishings. Teams were still working from alternative locations pending repairs being complete. It was estimated that the final capital cost for the internal works would be approx. £75,000.

RESOLVED

That the following RECOMMENDATIONS be made to Executive Cabinet:

- (a) That the list of disposals identified in Appendix 1 to the report be approved subject to further discussion on land at Staley Hill Drive;
- (b) That the capital scheme on Heginbottom Mill detailed in the section 3.1 of the report - £125,000, be approved; and
- (c) That the capital schemes on corporate buildings detailed in Section 3.2 of the report - £13,873.69, be approved.

17. EDUCATION CAPITAL PROGRAMME UPDATE

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

The report gave details of:

- Funding allocation;
- Basic Need Schemes progress update, including requests for additional funding allocations;
- School Condition Funding Scheme Proposals, including request for additional funding allocations/amendments;
- Procurement and value added; and
- Risk Management.

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

Members sought clarification in respect of funding for project development work at Astley Community High School. The Assistant Executive Director (Development and Investment) agreed to obtain further details on this matter and report back to Members.

RESOLVED

That the following RECOMMENDATIONS be made to Executive Cabinet:

- (i) That the allocation of Basic Need grant funding schemes as outlined in Section 3 and Appendix 1;
- (ii) The allocation of School Condition grant funding schemes as outlined in Section 4 and Appendix 2 and 3.

18. SECTION 106 AGREEMENTS AND DEVELOPER CONTRIBUTIONS

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

It was reported that the summary position as at 31 August 2017 for Section 106 Agreements totalled £483,000, with Developer Contributions totalling £294,000, less approved allocations of £148,000 leaving a balance of £178,000. The balance of unallocated section 106 funds and developer contributions were as follows:-

- Services for Children and Young People - £241,000 (s106) and £81,000 developer contributions;
- Community Services (Operations and Greenspace) - £210,000 (s106) and £74,000 developer contributions; and
- Engineering Services - £31,000 (s106) and £23,000 developer contributions.

It was reported that no new Section 106 Legal Agreements had been entered into since 20 February 2017, although there were a number of resolutions to grant planning permission subject to agreements being entered into. These would be reported to a future meeting of the Strategic Planning and Capital Monitoring Panel.

In respect of requests to draw down funding had been made since the previous report to the Panel, as follows:

- (i) £40,000 for Oxford Park Play Area: this play area had been in need of significant investment for some time now. This £40,000 would be used for a new multiplay unit with slide to replace the existing one and improvements to the wetpour safety surfacing. The development of the former Mono pumps site had commenced and the investment was part of a contribution secured through the Section 106 agreement associated with the site in which there was confidence it would be triggered and paid before the end of the year.
- (ii) £17,000 for Sam Redfern Green and Werneth Low: This £17,000 had been made as a contribution from the development at King Edward Court and Sam Redfern and Werneth Low were close to this site. New equipment would be introduced to Sam Redfern Green such as a small junior swing and the remainder would be put towards improvements to the Riding Track repairs opposite the Hare and Hounds, at Werneth Low.
- (iii) £30,000 towards Greenspace Improvements: This request was to draw £30,000 from Developer Contributions. Developer Contributions had been provided from sites across Tameside and were not linked to specific sites. Part of the funding would be used towards the Riding Track and Footpath repairs opposite the Hare and Hounds at Werneth Low (estimated at £24,000) and the rest would be used for other improvements required to Greenspace across the Borough.

Members were informed that, in 2016, a review was undertaken of Planning Obligations within the Development Management Service. The final report was published in April 2017 and key issues were reported to a previous meeting of the Panel.

In overall terms, the audit focused on both S106 Legal Agreements and the historic Developer Contributions which were collected up until 2015 when the community Infrastructure Levy Regulations 2010 changed the rules regarding financial contributions through the planning system.

The report recognised that management had responded positively to strengthen controls including additional temporary resource for improved monitoring and recording. Additionally the financial contributions calculator for inflation and changes to the way finance record and account for payments.

RESOLVED

That the content of the report be noted.

19. ENGINEERING CAPITAL PROGRAMME 2017/18

The Director Place, submitted a report updating Members on schemes being undertaken by the Highways Challenge Fund grant; gave details of the 2017/18 Engineering Capital Programme for Environmental Services and sources of funding with specific reference to the Highways Structural Maintenance Programme and capital funding made available by the Council for the Tameside Asset Management Plan (TAMP) for highways; and an update on proposed joint bid with Oldham MBC for safety improvement on A670 Mossley Road.

RESOLVED

That the following RECOMMENDATIONS be made to Executive Cabinet:

- (i) **The allocation of Highways Challenge Fund grant funding and the schemes detailed in Section 1.4, Table 1 of the report, be approved;**

- (ii) That the Engineering Maintenance Block Allocation, with specific reference to the Highways Structural Maintenance Programme for 2017/18 and the increased investment of £0.250 million to £3 million via the Transport Asset Management Plan, be approved and the planned profiled spend noted; and
- (iii) That the Department for Transport Safer Roads Fund bid be noted and supported.

20. FINANCING ARRANGEMENTS FOR GUARDSMAN TONY DOWNES HOUSE

Consideration was given to a report of the Director of Finance, which informed Members of the Panel that an opportunity existed for the Council to purchase Guardsman Tony Downes House, Droylsden and for the Pension Fund to be the tenant on a long lease-type of arrangement.

The report explained how this could bring financial advantages to both parties.

It was further explained that the most advantageous option for the Council's challenging position on the revenue budget was to use reserves to finance the purchase. This was because of the low interest rates currently available on its cash balances and the fact that if borrowing was used it would require principal and interest to be charged to the revenue budget, thus diminishing the benefit to the bottom line of the budget.

Members were informed that a major risk for the Council was that the occupation of the Guardsman Tony Downes House by GMPF would not be secured in the form of a binding lease agreement, because the Council could not enter into legal agreements with itself. There was the possibility that at some point over the next 25 years the Pension Fund no longer wished to occupy the building. In order to protect its position the Council would be seeking a commitment from the Pension Fund that if it moved out of Guardsman Tony Downes House, it would pay Tameside Council a sum equivalent to the NPV of the total annual passing rent for the period beginning on the date of vacation of the building to the 25th anniversary of the date the Council 'purchased' the building (currently assumed to be 1 January 2043 and discount rate for NPV purposes 5.2%).

Members were further informed that the ground floor had not yet been developed. It was originally planned that the Pension Fund would pay to bring the ground floor into use but given that the expected occupier would be the Council, and it would be the landlord under the proposed financing arrangement, then it would be more appropriate for the Council to carry out the necessary works (the alternative would be for the Pension Fund to carry out works and for the Council to pay a higher price for the building). At this stage it was recommended that a sum of £1.4m be set aside in the capital investment programme for these works. A future report would be presented with details of the plans for the ground floor.

The proposal had been tested with the external auditor for the fund and Council and they did not object to the proposals in principle, but it would be confirmed with them when final terms were agreed.

The report concluded that the construction of the Pension Fund building had been completed broadly on time and on cost and the building had been well received.

The environment since the original plan for the financing of the building and the use of the ground floor space had changed significantly.

The options of the Council taking the building onto its balance sheet and charging GMPF a rent for use whilst GMPF completes ground floor space in advance of the specific occupier fit out requirements had a number of compelling advantages

- Provided a practical solution for use of remaining space within the building;
- Provided a financial benefit to the Fund; and
- Provided a financial benefit to the Council.

The rationale and implications of this proposal had been discussed with the Council's and Fund's auditors. Neither auditor had objected to the proposal set out in the report in principle, subject to final confirmation of terms.

RESOLVED

That the following RECOMMENDATIONS be made to Executive Cabinet:

- (i) The payment of £7.0 million to Greater Manchester Pension Fund, subject to the Fund agreeing:
 - (a) To the payment of an annual rent with effect from the 1 January 2017 to the Council of £384,250 per annum, with upward annual reviews linked to RPI, plus service charges for the running of the building and for cyclical maintenance of plant and equipment; and**
 - (b) That in the event that the Fund vacates the building before the expiry of 25 years, it will pay the Council a sum equivalent to the total annual passing rent for the period beginning on the date of vacation of the building to the 25th anniversary of the date the Council 'purchased' the building (currently assumed to be 1 January 2043).****
- (ii) That the payment be financed from the earmarked reserve for Capital Investment; and**
- (iii) That the building be taken on to the Council's balance sheet.**
- (iv) That a further report be requested on the proposed use of the ground floor of Guardsman Tony Downes House and the associated financial implications.**

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

21. LEISURE ASSETS CAPITAL INVESTMENT PROGRAMME UPDATE

A report was submitted by the Director, Place, providing a summary of progress to date with the delivery of the Council's capital investment programme into improving sports and leisure facilities in Tameside.

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

- Active Copley Heating Replacement (£0.369m)
- Active Copley Pitch Replacement (£0.177m)
- Active Medlock Roof Replacement (£0.120m)
- Active Hyde Wave Machine Replacement (£0.060m)
- Active Hyde Pool Extension (£3.096m)
- New Denton Wellness Centre (£14.724m)
- Active Dukinfield (ITRAIN) (£2.3m)
- Active Longdendale (Total Adrenaline) (£0.6m)

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

RESOLVED

That the content of the report be noted.

CHAIR