

Report To:	STRATEGIC PLANNING AND CAPITAL MONITORING PANEL
Date :	14 March 2016
Executive Member/ Reporting Officers:	Councillor Jim Fitzpatrick - First Deputy (Finance and Performance) Damien Bourke - Assistant Executive Director (Development, Growth and Investment)
Subject:	VISION TAMESIDE PHASE 2 PROGRESS UPDATE
Report Summary:	<p>The Council's Executive Cabinet approved the Stage 2 submission from the LEP for the Vision Tameside Phase 2 project and gave delegated approval for contract award, subject to further negotiation, at its meeting on 16 December 2015.</p> <p>This report provides a further update on project development, costs, delivery timescales and risks associated with the project. It also provides a further update on the project development work for the associated public realm and infrastructure improvements in the town centre.</p>
Recommendations:	<p>That the Panel consider the contents of the report and recommends to Executive Cabinet to:</p> <ol style="list-style-type: none"> 1. Note the progress with the delivery of the Vision Tameside Phase 2 scheme. 2. Note the progress with the development of a vision and business plan for the future use of Ashton Town Hall. 3. Note the progress with the development of the Ashton Town Centre public realm project. 4. Note the budget of £5,560,726 for the Ashton Market Square re-development project which is contained in the funding envelope within the Ashton Town Centre capital scheme.
Links To Community Strategy:	Prosperous Tameside
Policy Implications	In line with approved policy
Financial Implications: (Authorised By The Section 151 Officer)	<p>The overall costs of the Vision Tameside programme must be contained within the overall net budget of £48,673,794, which was approved in February 2015. Contingency provisions were made for construction and overall programme related cost pressures as part of this budget allocation. As the programme progresses and firm costs are determined, there will be variations which will require approval.</p> <p>There are still significant risks to construction costs related to further design development, the exposed Ashton Town hall façade, any issues which arise during demolition of TAC and the cost of the college element of the new building, particularly related to the level of fitted furniture required. Any additional costs will need to be delivered from the remaining contingency to ensure that the project remains within the overall approved budget. The current approved budget is as follows:</p>

Budget Heading	Approved Budget December 2015 £
Construction/Demolition	36,694,792
TMBC Furniture Budget	1,500,000
Inflation Contingency	2,294,291
Total Construction Costs	40,489,083
Additional Asbestos Removal Claim 1 & 2	706,997
Total	41,196,080
Less SFA grant	-4,000,000
Cost paid by partners for furniture	-287,000
TMBC Construction Contingency	250,000
Net Construction Costs	37,159,080
Decant / condition works	2,764,452
Co-op bank termination of lease	100,000
Programme Management	100,000
Fit out costs of temporary store re Early Lease termination – Wilkos	832,978
College Fixed Furniture and Equipment	300,000
Fit Out Costs - Early Wilko's Lease Termination	859,900
Public Realm Works	2,631,000
Document Scanning	250,000
Potential Loss of profits Wilko's	550,000
Legal Costs of Construction Works	50,000
IT Enablement	2,194,000
Programme Contingency	882,384
Total	48,673,794

In addition to the Vision Tameside Phase 2 programme, capital funding has already been approved for improvements to the public realm within the Ashton Town Centre project. The Ashton Town Centre capital scheme has an approved budget of £5,560,726.

The total therefore currently approved for the Public Realm is:

Vision Tameside	£2,631,000
Ashton Town Centre	£5,560,726
Total Available Budget:	£8,191,726

Capital funding (net)	2015-16	2016-17	2017-18	Total
Unsupported	£000's	£000's	£000's	£000's
<i>Vision Tameside</i>	8,203	16,806	17,293	42,302
Public realm	-	-	2,631	2,631
Prior year 2013-14				135
Prior year 2014-15				3,066
	8,203	16,806	19,924	48,134
Revenue				
Loss of profit				550
Legal costs				50
Total funding				48,734

Capital funding	2015-16	2016-17	2017-18	Total
Unsupported	£000's	£000's	£000's	£000's
Ashton Town Centre	2,477	2,600	-	5,077
Prior year 2014-15				483
				5,560

It is anticipated that the estimated spend on Public Realm is £9,655,383 as outlined at paragraph 8.3, therefore there is a projected shortfall of £1,463,657.

Potential third party funding is currently being pursued to meet this shortfall, this is set out at paragraph 8.4. The following table provides a breakdown of this potential funding:

TfGM	£1,152,921
Network Rail	£450,085
Potential Third Party Funding	£1,603,006

If the potential third party funding is not secured then a decision will be required to reduce the scope of the works.

It is important that regular monitoring of all expenditure budgets, value for money and inflation projections are maintained throughout the programme.

Work is underway to complete the agreement for lease and lease with the college, CCG and JCP; it is important that these are completed as soon as possible so that the capital and revenue implications of the programme can be confirmed.

There are a number of significant risks which need to be mitigated by contractual arrangements to reduce the risk of the project becoming over budget and needed to be scaled back which may impact on the realisation of all benefits including leases with third parties, resolving college FFE ambitions, closing out building contract and fixing price and public realm. This needs to be project manage carefully to ensure appropriate transfer of risk.


**Legal Implications:
(Authorised By The
Borough Solicitor)**

Risk Management:

The key risks, impact and mitigation proposed are included in the report at Section 10.

Access To Information:

The background papers relating to this report can be inspected by contacting the report writer Damien Bourke, Assistant Executive Director, Development, Growth and Investment by:

 Telephone: 0161 342 3544

 e-mail: damien.bourke@tameside.gov.uk

1. INTRODUCTION

- 1.1 The second phase of Vision Tameside creates a new Advanced Skills Centre for Tameside College alongside a new Joint Public Service Centre for the Council and its partners. Work on the scheme has progressed significantly since the last report to the Strategic Capital Panel on 30 November 2015.
- 1.2 At its meeting on 16 December 2015, the Council's Executive Cabinet approved the following recommendations in respect of the scheme:
- i. Note the Stage 2 Cost Plan Review report prepared by the Sweett Group which confirms that the Stage 2 cost plan price is considered reasonable and provides an acceptable level of value for money but recommends further negotiation in specific areas to achieve better value for money
 - ii. Accept the Stage 2 submission by the Tameside Investment Partnership in respect of the Vision Tameside Phase 2 building subject to further negotiation
 - iii. Approve the payment of the costs incurred in reaching Stage 2 of £1M to the Tameside Investment Partnership
 - iv. Note the draft Stage 2 Strategic Business Case prepared by Genecon which confirms that the project is supported by a compelling case for change, represent best public value, is commercially viable, affordable and achievable
 - v. Approve the virements as set out in table 1 of the Executive Cabinet report
 - vi. Authorise the Executive Director (Place), in consultation with the Executive Director (Governance & Resources), to further negotiate and agree detailed project scope, technical terms and commercial terms set out in the Stage 2 submission prior to financial close and contract award subject to the price not exceeding the construction budget of £41,196,080
 - vii. Authorise the Executive Director (Place), in consultation with the Executive Director (Governance & Resources), to approve the final Tameside Investment Partnership Stage 2 submission in respect of the Vision Tameside Phase 2 building
 - viii. Authorise the Executive Director (Place), in consultation with the Executive Director (Governance & Resources) to award the Design and Build contract for the works for the construction of the Vision Tameside Phase 2 building conditional upon the contract sum not exceeding the budget of £41,196,080 and no significant increase in the risk allocation to the Council before financial close
 - ix. Approve the establishment of the Vision Tameside Project Board.
- 1.3 This report provides a further update on project development, costs, delivery timescales and risks associated with the project. It also provides a further update on the project development work for the associated public realm and infrastructure improvements in the town centre.

2. VISION TAMESIDE PHASE 2 - PROGRESS UPDATE

- 2.1 A detailed update on the physical progress made to date was provided at the meeting of the Strategic Planning and Capital Monitoring Panel on 30 November 2015. Further progress has been made with key elements of the Programme including:
- Demolition phase – Demolition of TAC on site and progressing well
 - Telecommunications masts – All equipment removed from TAC following lease termination.
 - Asbestos – Additional asbestos was discovered in the TAC building, which had not

been indicated in previous site investigation reports, which has had a significant impact on the demolition programme and potential cost increases to the Council. Negotiations are ongoing to reach agreement on the allocation of liability for the additional costs under the terms of the Strategic Partnering Agreement.

- Commercial negotiations have commenced with the three main tenants on their lease agreements and Heads of Terms provided so that agreement can be reached prior to the award of the Design and Build contract scheduled for the 4 April 2016.
- The overall scope of the building has not changed and remains as approved.
- The following value engineering items have been approved since the Stage 1 report to ensure that the scheme is deliverable within its overall cost envelope:
 - Window reveals and cill detailing
 - Internal glazing specifications
 - Attenuation solution
 - Internal floor finishes / internal doors specifications
- Further changes to the design or the specification following approval of the Stage 2 report is likely to incur further costs. Some change is inevitable given we are two and half years away from moving into the new building and a prudent amount for contingency has been allowed for this.
- The 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 has been confirmed to be sufficient at Stage 2. £287,000 of these costs is earmarked to be recovered from JCP and CCG, for bespoke elements, subject to completion of negotiations on their respective leases.
- The cost of the college furniture has recently been confirmed as significantly in excess of the agreed budget of £300K. The total College costs for FF&E are projected as £2.2 million. Negotiations are ongoing with the College in order to reach agreement about how these costs will be apportioned between the Council and the College.
- Costs of the fit out of Wilkos is likely to decrease slightly, as their specification for fit out has reduced, however Wilko's have advised that their trading figures confirm (this is subject to verification by the Council) that their loss of revenue is likely be as initially projected.
- To meet the requirements of the Greater Manchester Combined Authority (GMCA) and the Skills Funding Agency (SFA), a due diligence process has commenced and an independent Project Monitor has been appointed to provide independent advice to GMCA/SFA.

3. WORKS PROGRESS

- 3.1 Carillion Building submit monthly update reports to the Council, which provide an update on the works progress, starting with the demolition programme and including incidents and accidents.
- 3.2 The reports also provide a summary of the ongoing partnership work with the Council to maximise opportunities for local employment, apprenticeships, work placements and local supply chains.
- 3.3 A recent reported incident occurred on 9 February 2016 and resulted in some damage to the rear of the old Town Hall. This occurred during demolition works but has no adverse impact on the overall demolition programme. A temporary works solution to support the wall prior to deconstructing / re-building damaged area, is planned to be in place by the end

of February. Further work is also being undertaken to identify the most effective solution for the deconstruction and re-building of the damaged area.

- 3.4 These works may well include removing the outer leaf of bricks, propping and replacing. However this leaves us with an important question to resolve in terms of the future use of the town hall and potential works in the same part of the building.

4. FUTURE USE OF ASHTON TOWN HALL

- 4.1 Running alongside the Vision Tameside Phase 2 project is a separate study to explore the potential for optimising the future use of Ashton Town Hall. This study, being undertaken by Creative Heritage Consultants, will help the Council to develop a vision and business plan for the future use of this important historic building.
- 4.2 The use of a large part of the old town hall will immediately be compromised as soon as the TAC building is demolished given the upper floors utilised TAC as fire escape. If those floors are to be utilised in future particular attention must immediately be given to accessing the upper floors and resolving this issue. The second related issue will be the rear façade of the old town hall and its relationship with the new build and the new public realm.
- 4.3 Ryder's Architecture, the architects for the Vision Tameside Phase 2 building, are supporting the study and developing design options and costings. This work will assist the Council in achieving its aspirations for the future use of this key Council asset in a manner that complements the new building and other key developments.
- 4.4 Whilst the plan was always to minimise disruption in the town centre and hold off carrying out any fundamental works to the Town Hall until completion of the new Council Offices it may be prudent, due to the recent damage to the building, to accelerate this project and reach a decision on the future use of the building much earlier. This could minimise the need for abortive remedial works to be carried out and provide an opportunity to secure external funding support.
- 4.5 Details of any emerging vision and business plan for the future re-use of the Ashton Town Hall building will be the subject of a future report.

5. SCHEME PROGRAMME

- 5.1 The scheme is currently 8 weeks behind the demolition and enabling works contract programme. The delays to the programme are a direct result of the identification and subsequent removal of asbestos identified in the refurbishment and demolition reports. It is expected that the demolition programme can be reduced to a three-week delay due to a change in the demolition methodology. The incident with the old town hall will not affect the programme unduly as it is the demolition of the Tower which is on the critical path - we have more time to deal with the other facades.
- 5.2 The updated programme for the scheme is shown in the table below. This shows a revised completion date for the construction of the new building as March 2018 with recant and occupation completed by September 2018.

Phase	Milestone	Target Date as of December 2015
Design Stage	Stage 1 design	Achieved
Design Stage	Stage 2 design submission for Planning	Achieved
Decant Phase	TAC vacated	Achieved
Decant Phase	Retail vacated	Achieved
Planning Approval and Listed Building Consent	Approval granted	Achieved
Demolition and Enabling Phase	Start separation works from Ashton Town Hall	July 2015
Demolition Phase	Demolition starts	17 August 2015
Demolition Phase	Demolition complete	24 June 2016
Stage 2 Costs	Approval	December 2015
Contract Negotiation	Financial close / contract award	4 April 2016
Future Use of ATH	Feasibility study complete	February 2016
Construction Phase	Construction phase starts	27 June 2016
Construction Phase	Completion	March 2018
Recant Phase	Recant commences	April 2018
Recant Phase	Recant completes	September 2018

6. FINANCIAL IMPLICATIONS

- 6.1 The projected costs of the scheme have been reported throughout the project. The Stage 2 submission has been received and an initial value engineering exercise was undertaken by the Council, the LEP and Carillion Building.
- 6.2 There is still significant work to be undertaken to contain the project costs within the original budget and negotiations are ongoing with the LEP in order to reach a satisfactory commercial offer. These negotiations are in line with the recommendations made by Sweett Group as part of the Stage 2 cost review.
- 6.3 The costs approved by the Council's Cabinet Executive in December 2015 are shown in the table below:

Budget Heading	Approved Costs December 2015 £
Construction/Demolition	36,694,792
TMBC Furniture Budget	1,500,000
Inflation Contingency	2,294,291
Total Construction Costs	40,489,083
Additional Asbestos Removal Claim 1 & 2	706,997
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Programme Contingency	882,384
Total	48,673,794

- 6.4 One element of additional income that has not been taken into account in the table above is the projected £187,000 rental income from the proposed CCG and JCP tenancies. This income could potentially support an additional, £1.87 million capital expenditure, however this will need to be considered against the need to meet further revenue budget reductions in 2018 and future years.

7. PUBLIC REALM UPDATE

- 7.1 Improvement to the public realm is critical to the success of the Vision Tameside programme as the works will underpin current and future investment opportunities thereby creating a distinctive and high quality environment for the town centre.
- 7.2 One of the fundamental issues to resolve is the bus routing strategy in the Northern Core area of Ashton. The principle criteria is the need to establish a civic and educational zone in the area which creates the right environment for pedestrians, shoppers and students whilst providing clear flows between our public transport assets in this area. The northern bypass, will need to take a greater share of the private and public vehicle traffic utilising this area. Discussions are underway with TfGM, Mott MacDonalds and Stagecoach and First Group to plan for this.
- 7.3 Significant progress has been made to further develop the public realm project since previous reports, including:
- Monthly Task Group meetings involving representatives from the Council, Ryders Architecture, Tameside College and Carillion, to refine the project scope, costs and programme.
 - The Council has commissioned Mott MacDonalds to undertake an Options Review to consider a range of interventions to reduce the impact of vehicle movements on Wellington Road. This is in the context of emerging developments affecting footfall and public transport demands within the Wellington Road area.
 - Engagement with key stakeholders to identify a high quality material palette to be delivered across the public realm area.
 - Engagement with key stakeholders to identify a funding package. This is being

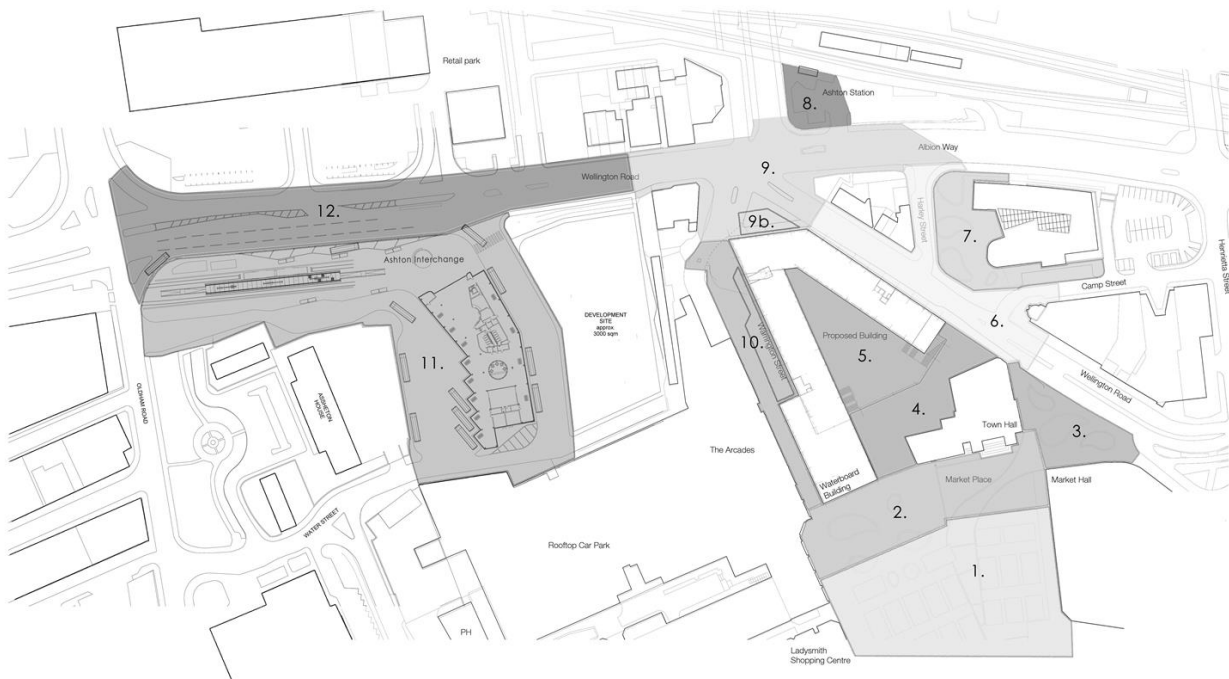
continually refined as the project is developed.

- Development of a draft public realm construction programme in consultation with Carillion Building.

7.4 The project area has been split into 10 Zones to effectively manage and co-ordinate project development, delivery and phasing. **Figure 2** provides a Zoning Plan for the project area and helps to demonstrate the impact and integration of the 10 identified Zones.

7.5 Zones 11 and 12 are currently outside the scope of the project but have been included to highlight the connection with the project area and ensure appropriate links are maintained.

Figure 2 – Public Realm Zones



7.6 The table below provides a summary of the outline proposals for each of the 10 Zones and a status and progress update respectively.

Outline Proposal by Zone			
Zone	Scheme	Outline Proposals	Next Steps
1	Market Square	New market stalls and kiosks, public realm and lighting	<ul style="list-style-type: none"> • Works on site and progressing well • Approval for revised project budget • Completion Summer 2016
2	Civic Square	High quality public realm including landscaped areas, trees, street furniture and lighting	<ul style="list-style-type: none"> • Concept Design complete • Complete detailed costings once design fixed • Completion post 2018 (site compound)
3	Market Square Approach (former mayoral	High quality public realm, street furniture, landscaping and lighting providing	<ul style="list-style-type: none"> • Concept Design complete • Complete detailed costings once design fixed

	parking area)	gateway into the new Market Square	<ul style="list-style-type: none"> • Completion post 2018 (site compound)
4	Rear of Town Hall	High quality public realm providing an attractive route from Wellington Road to Market Square	<ul style="list-style-type: none"> • Detailed design completed by Ryder's Architecture in consultation with the AMS project team to ensure materials complement the high quality being delivered at AMS • Planning approval secured • Decision to be taken on delivery of public realm within the red edge boundary by September 2016 • Works to be delivered to coincide with the opening of the VTP2 building
5	VTP2 Deck area	Decked area incorporating high quality public realm	<ul style="list-style-type: none"> • Detailed design completed by Ryder's Architecture in consultation with AMS project team to ensure materials complement the high quality being delivered at the AMS development site • Planning approval secured • Works to be delivered to coincide with the opening of the VTP2 building
6	Wellington Road, Harley Street, Camp Street	Pedestrianisation of an area along Wellington Road between VTP1 and VTP2 buildings. Options being considered to accommodate essential vehicle movements	<ul style="list-style-type: none"> • A range of intervention options have been considered and these are discussed in more detail at section 7.7 • Depends on bus routing strategy adopted
7	Camp Street in front of new College building	High quality public realm to complement the wider public realm enhancing links to the VTP2 building and train station	<ul style="list-style-type: none"> • Consultation underway with Tameside College to agree design of public realm • Works scheduled for June 2017 – September 2017 subject to exam timetable
8	Railway Station Plaza	Pedestrianised area in front of the entrance, creating an attractive, prominent and welcoming route into the station	<ul style="list-style-type: none"> • Arriva identified as new operator from April 2016, therefore negotiations planned to recommence, at this time, to secure agreement for improvements and associated funding • Bridge replacement by Network Rail in summer 2017. Discussions ongoing to negotiate additional works to improve the entrance plaza
9/9b	Turner Lane Junction	Redesign and rationalisation of the junction. Partial closure of Turner Lane	<ul style="list-style-type: none"> • UTC modelling of junction under two scenarios complete. Both involve reducing the number of

		being considered	“arms” at the junction <ul style="list-style-type: none"> • Further design development to be undertaken
10	Warrington Street	To provide a well-connected setting for new developments.	<ul style="list-style-type: none"> • Concept Design complete • Complete detailed design to complement wider public realm by April 2016 • Consider introduction of staggered tree planting along Warrington Street to improve pedestrian comfort as recommended by Arup, following completion of the wind analysis report • Completion likely to be post 2018 completion of the building in phases.

7.7 Wellington Road (Zone 6) is a key route within Ashton Town centre, providing access to key development sites and visitor attractions. The route is well used by buses, pedestrians and a mixture of service and access vehicles. This incompatible mixture of pedestrians and vehicular traffic, along with the volume and speed of vehicles using the route, has led the Council to commission Consultants to undertake an Options Review.

7.8 The Options Review considered a number of interventions to influence vehicle movements and associated conflict issues on Wellington Road itself. The options identified have been developed under the themes of reducing the impact of vehicles currently using the route, adapting the local environment to reduce the prominence given to the street’s movement function and reducing or removing traffic using the route.

7.9 The preferred option will address the impact of vehicle movements on Wellington Road by closing it to all vehicular movements between Harley Street and Camp Street.

8. PUBLIC REALM - COSTS AND FUNDING

8.1 The projected costs associated with indicative public realm zones were first reported at the Joint Meeting of Executive Cabinet and Overview Panel on the 4 February 2014.

8.2 Since this time approval was given, by the Executive Cabinet on the 21 October 2015, to develop the plans for the 10 zones identified in section 8.3 of this report. This work has included the development of a funding package to deliver an ambitious public realm programme.

8.3 The table below provides details of the potential funding package:

Zone	Total Estimated Cost	Potential Funding Source	Approved Budget	Variation / Funding Status Unconfirmed
	£		£	£
1	4,016,547	ATC PR	4,016,547	0
2	1,544,179	ATC PR	1,544,179	0
3	575,000	VTP2 PR	575,000	0
4	N/A	Included in VT Construction	N/A	N/A
5	N/A	Included in VT Construction	N/A	N/A
6	720,374	VTP2 PR	720,374	0
7	475,000	VTP2 PR	475,000	0
8	450,085	Network Rail	0	450,085
9	821,583	VTP2 PR	283,099	0
		TfGM Growth Fund	0	538,484
9b	N/A	VT Construction	N/A	N/A
10	438,178	VTP2 PR	438,178	0
Road alterations	422,284	TfGM Growth Fund	0	422,284
Design, supervision, contingencies	192,153	TfGM Growth Fund	0	192,153
Total	9,655,383		8,052,377	1,603,006

Key

ATC PR	-	Ashton Town Centre Public Realm
VTP2 PR	-	Vision Tameside Phase 2 Public Realm Budget
VT Construction	-	Vision Tameside Construction Budget
TfGM Growth Fund	-	Transport for Greater Manchester Growth Fund

8.4 The table below provides a summary of the potential funding package:

	Total Estimated Costs £	Total Potential Funding £	Approved Budget £	Unconfirmed Budget Awaiting Approval £	Variation £
Estimated Public Realm Costs	9,655,383				
Budget Approved – ATC PR			5,560,726		
Budget Approved – VTP2PR			2,631,000		
Sub Total			8,191,726		
Unconfirmed Budget – TMBC				0	
Unconfirmed Budget – TfGM				1,152,921	
Unconfirmed Budget – Network Rail				450,085	
Sub total				1,603,006	
Total Potential Funding		9,794,732			
Total Variation Estimated costs less potential funding(surplus) / deficit					(139,349)

- 8.5 In summary, the estimated costs to deliver the full public realm programme are approximately £9.7 million and to date confirmed Council budgets total £8.191 million.
- 8.6 The funding package relies on financial contributions of £1.603 million approximately from external sources, namely:
- i. GM Growth Fund programme (£1,152,921) - a business case has been submitted to TfGM for consideration through the GM Growth Fund programme and a decision is expected by early April 2016.
 - ii. Network Rail (£450,085) – negotiations are ongoing to encourage investment to improve the station plaza at the same time as they are carrying out bridge replacement works at Turner Lane and the train station.
- 8.7 If we are unsuccessful in securing partner contributions the scope of the project could be reduced in order to ensure works are delivered within the current budget allocation.
- 8.9 We are however keen to explore the potential for delivering a more ambitious public realm programme as a reduced scope is unlikely to create the transformational impact and benefits required for the economic growth of Ashton Town centre and Tameside.
- 8.10 It is important that any public realm works complement the high quality scheme being delivered at Ashton Market Square. Works are progressing well and the high quality kiosks and paving delivered to date is already having a positive impact on the area.
- 8.11 The original budget for the Ashton Market Square project was £4.5m based on estimated costs for completing Phase 1 in summer 2016 and projected costs for Phase 2. Since this time the costs have been refined and more detailed projected costs have been obtained for the works to Phase 2 which will be completed in 2019.

- 8.12 The current projected costs to complete Phase 1 and Phase 2 of this project are £5,560,726.
- 8.13 These increased costs can be contained in the funding envelope within the Ashton Town Centre corporate budget.

9. PUBLIC REALM - PROGRAMME

- 9.1 The emerging draft programme for the public realm project is as follows:

Zone	Target Start Date	Target End Date
1	On site	September 2017
2	July 2018	July 2019
3	April 2019	August 2019
4	August 2017	October 2017
5	Part of VTP2 Construction Programme	n/a
6	November 2017	April 2018
7	June 2017	September 2017
8	Negotiations ongoing with Network Rail	tbc
9b	October 2017	December 2017
9	Turner Lane Bridge replacement by Network Rail Summer 2017	tbc
10	December 2017	June 2018

- 9.2 This programme is based around Carillion's construction programme giving earliest start dates to the Zones that interface with their site boundary. However due to the need to ensure access for construction and maintaining pedestrian and vehicular access and safety around the town centre, the programme can only be finalised after the commencement of the construction phase of the Vision Tameside Phase 2 building.
- 9.3 For the same reasons, major elements of the programme can also only commence following the completion of the Vision Tameside Phase 2 building.

10. RISKS

- 10.1 The risk profile for the construction project and overall programme has been reviewed throughout the Stage 2 process. As with all major projects at this stage there are a number of significant risks that need to be managed and mitigated as the Programme develops. A summary of the high level risks can be found in the table below.

Risk	Potential Impact	Mitigation
Inflation	Increase in construction costs beyond funding levels approved in	The TIP have confirmed that they will fix the inflation on the project at £2.294 million based on the criteria of signing a contract for the construction of the new

	the capital programme.	building in 4 April 2016 no further design changes and increase in scope.
Increase in scope / design changes	Increase in time and cost	CCG and JCP areas have been agreed. Remaining risk relates to the college and council areas. A benchmark has been included within the proposed stage 2 proposal for the design and furniture of all areas. Change control procedures will be carefully managed throughout the remaining design and construction programme.
Insufficient funding available to complete all aspects of the Programme.	Elements of the programme not completed or fully funded	The programme is subject to close monitoring to ensure that overall costs are contained within the overall approved budget. The main packages of work for the new building have been tendered by the TIP and Carillion building to give a more accurate projection of costs at Stage 2. The main element to agree is the furniture fittings and equipment support or the college element of the new building.
Insufficient contingency budget for scale and complexity of the Programme.	Actual contingency exceeds the allowance.	Commercial negotiations ongoing with the LEP to identify further savings to release to contingency budget.
Programme delay	Delay in completing the construction project by March 2018 and recant by September 2018	Clear project governance to provide robust direction and oversight.
Identification of additional asbestos in the TAC building following intrusive pre demolition surveys	Increase in cost and potential delay in programme.	The evaluation of the additional surveys has been completed, options to mitigate delay in programme are being progressed. An initial compensation claim for £706,997 is being negotiated with the LEP.
Dark ground conditions	Increase in cost and delay in programme	Trial bore holes have not revealed any significant issues. A dark ground survey is due to start week commencing 22/02/16. A construction contingency of £250,000 has been provided.
Failure to sign the building contract with the TIP in April 2016	Increase in cost due to inflation and additional decant location rentals and delay in construction completion	Early approval of Stage 2 proposals and negotiation in respect of the new building.
Agreement for lease not reached with key tenants prior to contract award in	Increase in scope and cost.	Lease negotiations have commenced and the Vision Tameside Working Group have clear milestones to achieve.

April 2016		
Works to the retained Ashton town Hall	Increase in cost and potential delay in programme.	The initial separation works undertaken revealed that there is a cavity between the TAC and Ashton Town Hall building. However an incident on site on the 9 February caused damage to the Old Town Hall. This has not however had an adverse impact on the demolition programme and the Council is awaiting costs to remedy the damage and protect the listed building against any further damage. These costs are expected to be borne by the demolition contractor.
Reduction of footfall during construction	Reduction in trade for local shops and businesses.	A shop local loyalty scheme has been launched and shop local campaigns will be undertaken. The additional staff and students moving into Clarendon College are reported to have a positive impact on retail activity.
Reputation and public perception as Planning was supported before proving affordability	Confidence in project reduced, negative publicity	Joint Communications Plan with Tameside College and the Council.
VAT	Increase in cost through irrecoverable VAT expenditure	Consultation with VAT specialist advisers in order to mitigate future risks throughout the project.

11. CONCLUSION

- 11.1 The Programme to deliver the Vision Tameside Phase 2 project is at a critical stage and is still subject to significant risks which are being closely managed but good progress is being maintained.
- 11.2 Ashton Town Hall is a key Council asset and good progress is being made with the development of a vision and business plan for the future re-use of the building.
- 11.3 Improvement to the public realm is critical to the success of the Vision Tameside programme and good progress is being made with the development of the public realm project.

12. RECOMMENDATIONS

- 12.1 These are shown at the front of the report.