STRATEGIC PLANNING AND CAPITAL MONITORING PANEL

14 March 2016

Commenced: 2.00pm	**Terminated: 3.20pm**
Present:	**Councillor K Quinn (Chair)**
	Councillors Cooney, Dickinson, J Fitzpatrick, B Holland, McNally and Taylor
Chief Executive:	**Steven Pleasant**
Monitoring Officer	**Sandra Stewart**
Section 151 Officer:	**Peter Timmins**
Also in attendance:	**Robin Monk, Stephanie Butterworth, Angela Hardman, Damien Bourke, Paul Moore, Ian Saxon, Tim Rainey, Roger Greenwood and Beverley Stephens.**
Apologies for Absence:	**Councillor Fairfoull**

35. DECLARATIONS OF INTEREST

There were no declarations of interest submitted by Members.

36. MINUTES

The Minutes of the meeting of the Strategic Planning and Capital Monitoring Panel held on 30 November 2015 were signed by the Chair as a correct record.

Further to Minute 28, in respect of the application by Astley Sports College for a capital grant to fund the development of a 3G football pitch on its grounds, clarification was sought with regard to the current situation and if the outstanding issues had been resolved. It was explained that the matter had been considered by Executive Cabinet on 16 December 2015 (minutes 37 refers) and the Assistant Executive Director, Sustainable Growth and Investments, explained that outstanding issues had been resolved and funding had been applied for.

37. CAPITAL STRATEGY AND PROGRAMME 2016/17

Consideration was given to a report of the First Deputy (Performance and Finance) and the Interim Assistant Executive Director Finance (Section 151 Officer) setting out the Council's Capital Strategy for 2016/17 and the three year Capital Programme which had been approved by Council on 23 February 2016. The purpose of putting the report before the Panel was so that Members view the programme that had been agreed by Council, which they would monitor.

It was reported that the proposed programme consisted of schemes funded through borrowing, capital receipts or grants and other anticipated contributions from third parties. The size of the capital programme reflected capital grant settlements that had been announced by central government, forecast capital receipts, other external and internal funding sources and proposed borrowing as set out in **Appendix 1** to the report and detailed in **Appendix 5** to the report. The Council's ability to prudentially borrow to fund future schemes was limited by budgetary pressures which the Council continued to face. Information regarding the revenue implications of prudential borrowing was also provided in **Appendix 1** to the report. It also summarised the development of the proposed capital programme as well as details of the following:

- New capital grant allocations;
- New schemes approved since the quarter two Capital Monitoring report;
- Capital receipts and potential property sales;
- Revenue implications of prudential borrowing.

In terms of the Capital Strategy, this had been developed as a key document that determined the Council's approach to capital. It was an integral of the Council's medium term service and financial planning process as reflected in the Medium Term Financial Strategy and provided a framework for the allocation of resources to support the Council's objectives. The Strategy, at **Appendix 2** to the report, was reviewed on an annual basis to ensure it continued to reflect the changing needs and priorities of the Council and its partners throughout Tameside and the region.

RESOLVED
That the following RECOMMENDATIONS, as agreed by Council on 23 February 2016, be noted:

(i) Approve the Capital Programme report as set out in Appendix 1 to the report and detailed in Appendix 5 to the report and action taken to achieve additional sources of funding for capital development.
(ii) Note the Disposals schedule and estimated Capital receipts position in section 3 of Appendix 1 to the report.
(iii) Note the additional revenue budget required as a result of the proposed take up of unsupported borrowing detailed in section 4.9 of Appendix 1 to the report.
(iv) Note the Capital Strategy in Appendix 2.
(v) Approve the Prudential Limits and indicators set out in Appendix 3 to the report and that the Council receive monitoring reports during the coming year to demonstrate compliance.
(vi) Authorise the borrowing limits for 2016/17 for Tameside and for the Greater Manchester Metropolitan Debt Administration Fund as set out in Appendix 3 to the report.
(vii) Approve the Minimum Revenue Provision statement as set out in Appendix 4 to the report.
(viii) Note the inclusion within the proposed capital programme of the estimated investment in Active Tameside and note future potential.

38. CAPITAL MONITORING REPORT

Consideration was given to a report of the First Deputy (Performance and Finance) / Interim Assistant Executive Director Finance detailing the capital monitoring position at 31 December 2015. The report showed projected capital investment of £45.545 million by March 2016. This was £9.806 million less than the current programme spend. Re-phasing of £9.181 million into the next financial year was therefore proposed, which would reduce the variation to £0.625 million.

Details of the projected outturn capital investment were shown by service area and Section 3 of the report referred to the most significant scheme variations.

Particular reference was also made to the changes to the approved 3 year capital programme, capital receipts and prudential indicators.

Members sought further information with regard to the Education Capital Programme. The Executive Director, Governance and Resources explained that this was to be reported in a separate report to Executive Cabinet on 24 March 2016.

RESOLVED
(i) That the current capital budget monitoring position be noted;

(ii) That the resources currently available to fund the capital programme be noted;
(iii) That the re-phasing to reflect up-to-date investment profiles be approved;
(iv) That the current position with regard to Compulsory Purchase Orders (CPO's) and Indemnities be noted;
(v) That the changes to the capital programme be noted;
(vi) That the capital receipts position be noted; and
(vii) That the changes to the Prudential Indicators be approved.

39. VISION TAMESIDE PHASE 2

Consideration was given to a report of the Assistant Executive Director, Development and Investments, detailing the progress to deliver the Vision Tameside Phase 2 Programme.

It was reported that significant progress had been made since the last meeting of the Panel on 30 November 2015. In particular progress made with key elements of the Programme were detailed as follows:

- Demolition of TAC was progressing well;
- Telecommunications masts – All equipment removed from TAC following surrender of the lease;
- Asbestos – Additional asbestos was discovered in the TAC building, which had not been indicated in previous site investigation reports, which had had a significant impact on the demolition programme and potential cost increases to the Council. Negotiations were ongoing to reach agreement for the additional costs under the terms of the Strategic Partnering Agreement;
- Commercial negotiations had commenced with the three main tenants on their lease agreements and Heads of Terms provided so that agreement could be reached prior to the award of the Design and Build contract scheduled for the 4 April 2016;
- The overall scope of the building had not changed and remained as approved;
- The following value engineering items had been approved since the Stage 1 report to ensure that the scheme was 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 was likely to incur further costs. Some change was inevitable given we are two and half years away from moving into the new building and a prudent amount for contingency had 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 had 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 would be met;
- Costs of the fit out of Wilkos was likely to decrease slightly, as their specification for fit out had reduced, however Wilko's had advised that their trading figures confirmed (this was subject to verification by the Council) that their loss of revenue was likely be as initially projected; and
- To meet the requirements of the Greater Manchester Combined Authority (GMCA) and the Skills Funding Agency (SFA), a due diligence process had commenced and an independent Project Monitor had been appointed to provide independent advice to GMCA/SFA.

In respect of future use of Ashton Town Hall, it was explained that a separate study to explore the potential for optimising the future use of Ashton Town Hall. The study would help the Council to develop a vision and business plan for the future use of the important historic building. Details of any emerging vision and business plan for the future re-use of the Ashton Town Hall building would be the subject of a future report.

It was further reported that the scheme programme was currently 8 weeks behind the demolition and enabling works contract programme. The delays to the programme were a direct result of the identification and subsequent removal of asbestos identified in the refurbishment and demolition reports. It was expected that the demolition programme could be reduced to a three-week delay due to a change in the demolition methodology.

An updated programme for the scheme was detailed in the report. This showed a revise completion date for the construction of the new building as March 2018 with recant and occupation completed by September 2018.

With regard to financial implications, it was explained that the projected costs of the scheme had been reported throughout the project. There was still work to be undertaken to contain the project costs within the original budget and negotiations were ongoing with the LEP in order to reach a satisfactory commercial position.

The costs approved by Executive Cabinet in December 2015 were detailed in the report. One element of additional income that had not been taken into account was 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 would need to be considered against the need to meet further revenue budget reductions in 2018 and future years.

In respect of public realm, improvement to public realm was critical to the success of the Vision Tameside programme as the works would underpin current and future investments opportunities thereby creating a distinctive and high quality environment for the town centre.

Significant progress had 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;
- An Options Review had been commissioned to consider a range of interventions to reduce the impact of vehicle movements on Wellington Road. This was 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 was being continually refined as the project was developed; and
- Development of a draft public realm construction programme in consultation with Carillion Building.

It was further reported that the project had been split into 10 zones to effectively manage and co-ordinate project development, delivery and phasing. A zoning plan was provided and a summary of the outline proposals for each of the 10 zones and a status and progress update was included in the report.

It was reported that the risk profile of the programme of activity was being reviewed through the Stage 2 process and details of risks going forward as the programme developed were explained.

It was concluded that the programme to deliver the Vison Tameside Phase 2 project was at a critical stage and was still subject to significant risks which were being closely managed but good progress was being maintained.

Ashton Town Hall was a key Council asset and good progress was being made with the development of a vision and business plan for the future re-use of the building.

Improvement to the public realm was critical to the success of the Vison Tameside programme and good progress was being made with the development of the public realm project.

Members sought clarification that the project was still on target as detailed in the construction timetable and within the project envelope and budget heads.

The Assistant Executive Director, Development and Investment, confirmed this to be the case.

RESOLVED:

1. That the progress on the following be noted:

  (i) delivery of the Vision Tameside Phase 2 scheme.

  (ii) development of a vision and business plan for the future use of Ashton Town Hall.

  (iii) development of the Ashton Town Centre Public Realm project.

  (iv) 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.

2. That it be RECOMMENDED to Executive Cabinet that the Capital Programme be revised to increase the budget for the Ashton Market Square re-development project to £5,560,726 whilst noting that it remained within the funding envelope within the Ashton Town Centre capital scheme.

40. ASSET MANAGEMENT UPDATE

Consideration was given to a report of the Assistant Executive Director, Development and Investment, detailing the 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 dilapidated arising from the termination of leases.

It was reported that the reduction in government grant to the Local authority meant that all areas were being asked to contribute to maintaining vital services. The Council had previously taken the decision that all of its assets with the exception of the Borough's prestigious buildings were to be considered in terms of potential receipts; it had been determined that at least a net £45 million be generated from asset sales over the next 3 years.

It was further reported that prime, former school sites would provide the largest receipts for this programme, and as such work was underway to maximize the receipt through de risking the sites, securing planning and preparing development briefs. Former agreements around the Building Schools for the Future programme required that £11 million from the sale of these sites was already earmarked to repay borrowing, meaning that the gross target for disposals was now £56 million.

Capital receipts that were anticipated to be received over the next three years were detailed as follows:

2015/16 Estimated	2015/16 Actual to Date	2016/17 Estimated	Post 2016/17 Estimated	Total over 3 Years
9,200	7,066	36,891	12,240	58,331

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 Council owned properties where feasible in order to deliver value for money, to reduce the revenue cost of operating and occupying buildings. Where possible, all Council leased properties had been vacated and in most cases dilapidations had been agreed and completed. A progress update was included in the report.

It was further reported that the Council still had long leases in respect of Plantation Estates, Portland Basin Museum and in addition, leases the former At Anne's RC Primary School in Ashton-under-Lyne, as a training centre. The Council also hold a short-term lease of office space at Aeroworks, 5, Adair Street, Manchester where the Greater Manchester Public Health Network (GMPHN) occupy having relocated there in December 2014. In accordance with instructions from GMPHN, a break-notice had been served by the Council terminating the lease on 3 June 2016.

With regard to investment in civic and corporate buildings, it was reported that there was no reactive maintenance budget included within the corporate landlord budgets and any repairs or upgrading of buildings required a request for additional investment to be made to the Panel for approval by Cabinet. In the past few months a number of requests had been received for repairs for civic and operational buildings for which there was no revenue or capital budget allocation. Analysis of capital spends for November 2015-January 2016 was £134,847. In addition there had been spend of £118,283 in regard of property related revenue type spend in the same period.

An analysis of the capital investment required in respect of health and safety/essential operational repairs was detailed in the report. In some cases, repairs had already been undertaken to allow the buildings to remain operational.

With regard to Tame Street Depot, it was explained that the Council operated from two sites on either side of the road on Tame Street, Stalybridge. The Civil Engineering Depot and Stores on one side and on the other a Transport Depot, combining the vehicle workshop with offices for Environmental Services staff for Transport, Highways, Public Protection, Waste Services and Refuse Collection. This site was a key base for dealing with day to day operational business and out of hours emergencies, including winter maintenance.

Following the closure of the Council Offices in Ashton, the site had taken on a key strategic role and was the prime location for Environmental Services and its business continuity provision which in turn had a key role in assisting all other services deliver their business continuity plans. The opportunity to relocate the emergency electricity generator to Tame Street to support business continuity was taken prior to the demolition of the Council Offices in Ashton. This would allow for key Council employees to be located at Tame Street in the event of a power outage or emergency situation.

Costs of ancillary works and commissioning of the generator were detailed as follows:

Generator Location	**Powering**	**Estimated Cost**
Gritting Shed	Transport & Civils site	£92.5k

As previously reported to the Panel, the Concord Suite condition surveys had been completed which had identified that the building was in need of both external and internal refurbishment work. Project feasibility work was ongoing to assess the available options in regard to reoccupying this building.

RESOLVED
That the following RECOMMENDATIONS be made to Executive Cabinet:
(i) That the list of disposals identified in Appendix 1 to the report be approved;
(ii) That the allocation of £134,847 to undertake building condition replacement/repair projects as detailed at paragraph 3.2 of the report, be approved; and

(iii) The allocation of £92,500 to facilitate to commissioning of emergency generators relocated to Tame Street depot.

41. PROPOSAL FOR ALTERNATIVE USE OF CAPITAL FUNDING ALLOCATION

The Executive Director, People submitted a report explaining that the Council agreed to a new service model around children's residential provision and the development of an 'Edge of Care Facility' to support the delivery of the unprecedented savings targets across the Council.

The success of the delivery of the new model, and therefore the delivery of savings was dependent on the delivery of three new four bedroom properties. These properties were pursued through the positive relationships the Council had with various social landlords though these had proved fruitless as the housing sector was now feeling the effect of delivering its own savings.

The opportunity for the Council to purchase these properties had been progressed. It was proposed that £0.912 million previously approved in 2008 for a new and expanded short stay facility which had not progressed, be used alternatively to purchase three properties to support the delivery of recurrent annual revenue savings proposals within Children's Services.

RESOLVED
That the following RECOMMENDATIONS be made to Executive Cabinet:
That approval be given to the alternative use of £0.912 million previously approved by the Strategic Capital Panel in 2008 (to fund a replacement of Boyds Walk with a new and expanded building) to purchase three properties to support the implementation of the new residential provision service model within Children's Services, subject to the revenue costs of borrowing being met from the service revenue budget.

42. DEVELOPER AGREEMENTS, CONTRIBUTIONS AND SECTION 106 AGREEMENTS

Consideration was given to a report of the Executive Director, Place, summarising the current position with regard to receipts received from Section 106 Agreements and Developer Contributions and contained recommendations on the release of receipts.

It was reported that the summary position as at the period 31 January 2016 for Section 106 Agreements totalled £190,000, with Developer Contributions totalling £265,000. The balance of unallocated section 106 funds and developer contributions were as follows:-

- Services for Children and Young People - £124,000 (s106) and £61,000 developer contributions;
- Community Services (Operations) - £43,000 (s106) and £186,000 developer contributions; and
- Engineering Services - £23,000 (s106) and £14,000 developer contributions.

A section 106 agreement had been made for an application at East Tame Business Park, land at Rexcine Way, Hyde. The outline planning application comprised of up to 49 residential properties subject to reserved matters being approved and provides commuted sums to mitigate against impact the proposal may have on off-site Open Space and Education provision. The sums of £269 per 1 bed property, £846 per 2 bed property, £1,182 per 3 bed property and £1,296 per 4 bed property for Education would go towards enhanced facilities at Bradley Green Primary School. There would also be £674 per property for Open Spaced towards environmental improvements to footpath links to and within Hyde Park and along Clark Way.

Three requests to draw down funding had been made by Operations and Greenspace to drawdown funds from Developer Contributions for the purpose of:
- Assheton Avenue Surfacing, Audenshaw (£10,000);
- War Memorial Cleansing and maintenance, various wards across Tameside (£20,000); and

- Tree Planting Programme, various wards across Tameside (£40,000)

The report further provided an updated position on progress made in implementing a section 106 smart pooling system as a result of changes to the Community Infrastructure Levy Regulations and National Planning Policy.

Members were informed that the aim of Community Infrastructure Levy (CIL) was to allow local authorities to raise funds from developers to fund both the initial and ongoing costs of general infrastructure, however as outlined within the CIL regulations, a council is unable to adopt a CIL Charging Schedule without an up to date Local Plan.

The CIL Regulations also affected how s106 funds can be used, limiting local planning authorities to pooling no more than 5 obligations for site specific mitigation projects or infrastructure items. This became applicable in April 2015 and applied to retrospective agreements, dated back to April 2010.

Because the Council made use of a tariff based Developer Contributions SPD and generic s106 agreements during this time, from April 2015 the pooling limits imposed by CIL had been reached and the Council could no longer collect funds for generic infrastructure items.

As a result the Council was now only able to collect developer obligations for site specific mitigation via s106 agreements. It had to smartly pool them to avoid the 5 project limit restriction until such time that it may consider supplementing this with a CIL Charging Schedule for general infrastructure items.

For the avoidance of doubt, all obligations now requested take the form of s106 agreements. The policy framework set out to support this approach was contained within the adopted Unitary Development Plan (UDP), specifically policies;

- H5 – Greenspace;
- H6 – Education;
- T13 – Highways.

This approach was not a significant departure to that used in the past; however projects funded through s106 obligation needed to be specific in nature to avoid reaching the pooling limits. To address this, a working group had been established, meeting on a regular basis to identify specific projects and therefore not fall foul of the 5 project funding limits.

To assist, consultees had been provided with evidence of residential development sites likely to come forward sourced from the Councils adopted Strategic Housing Land Availability Assessment (SHLAA). The SHLAA details estimate dwelling yields for sites and timescales for delivery. Estimate s106 contribution amounts had been worked through the online obligation generator to inform consultees of possible contribution amounts. This process would continue to take place with the consultees as and when the Council revises its SHLAA.

Working with and through the consultees a project register has now been established and is shown at Appendix A to the report. This is intended to be the first port of call for Development Management officers when negotiating with prospective applicants.

In respect of monitoring and audit as previously reported to the Panel, to effectively manage the post April 2015 s106 smart pooling system, the Council had implemented a number of technical and policy changes. However alongside this a robust monitoring system was required as previously identified.

The above processes and procedures were currently the subject of an internal audit. Draft outcomes of the internal audit were expected shortly which would assist in identifying an appropriate set of further actions requiring attention and the resources required to deliver on these.

RESOLVED
That the following recommendations be made to Executive Cabinet:
(1) That funds be released from the following available resources as follows:
Developer Contributions:
- **Assheton Avenue Surfacing, Audenshaw (£10,000);**
- **War Memorial Cleansing and Maintenance, various wards across Tameside (£20,000); and**
- **Tree Planting Programme, various wards across Tameside (£40,000).**

(2) That a review be undertaken of the S106 agreements and any other such planning income/infrastructure monies intended to lessen the burden upon existing environment/services to ensure that the Council is both maximising income and use of such monies.
(3) That a report be submitted to a future meeting of the Panel to quantify resources required to effectively monitor the S106 system.

43. SMART TAMESDIE – DIGITAL BY DESIGN

Consideration was given to a report of Assistant Executive Director, Digital Tameside, setting out the funding requirements for the Digital by Design (DbD) program. The DbD program aimed to transform how the council managed contact with the public through the better use of new technology and in so doing save time, money and improving levels of service.

It was explained that, as more and more people turned to digital channels to access services and information there was an opportunity for the Council to modernise how it dealt with customer requests and contacts across all its main channels.

By implementing an improved digital offer the Internet could be made the channel of choice for an increasing large majority of residents. Increasingly the new Contact Centre would deal with all telephone, social and other electronic media including webchat coming into the Council, freeing up the back office to focus on delivering services.

The website would be improved to become more focused on the top transactions and to provide users a more personalised experience. The site would be specifically designed with mobile devices in mind and a complimentary series of Apps for iOS and Android devices would be developed.

Specific projects were being undertaken with services that generated high call volumes to reduce and in some cases remove telephone demand altogether including Refuse and Revenues and Benefits. In doing all this the on-demand face-to-face customer service channel would be closed, moving instead to an appointment based service for the small number of highly complex cases that still required 1-2-1, face-to-face attention.

RESOLVED
That the following RECOMMENDATION be made to Executive Cabinet to approve the Capital funding for projects identified below:

Description of Project	**2016/17**	**2017/18**
Webchat Software	**27,700**	**0**
Website Content Management System	**19,700**	**0**
Refuse in Cab App & technology	**10,290**	**8,250**
Contact Centre System Upgrade	**10,000**	**0**
Capital Connect Citizen portal	**29,625**	**0**
Capita Revs and Bens eForms	**27,000**	**9,000**
	124,315	**17,250**

44. SMART TAMESIDE – TOWN CENTRE WIFI

The Assistant Executive Director, Digital Tameside, submitted a report explaining that Tameside Digital Infrastructure was a vendor neutral dark fibre network which runs in and around Ashton Town Centre and St Petersfield. It had been operational for over 12 months delivering connectivity for data and telephony for Council staff and services in various locations.

The Council installed this new digital technology infrastructure to transform public services by offering new and superior service at lower cost. It also saw digital technology as a driver for economic growth, directly through the development of digital sector and related businesses, and indirectly through the impact on productivity in the wider economy.

There was an opportunity to link these objectives for digital transformation by working with partners from the public and private sectors to jointly expand the infrastructure that now existed so it could be shared with other organisations and businesses to help economic regeneration in the Tameside area and promote digital inclusion.

This report detailed an ambitious project to overlay a free-to-use Town Centre Wi-Fi infrastructure on top of the dark fibre network which would provide the public in Ashton and Droylsden Town Centres with ubiquitous internet access.

The report detailed the costs associated with expanding this Wi-Fi network across the other 7 Town Centres in Tameside using both the dark fibre network and the Council's existing Wide Area Network to provide the internet connectivity.

RESOLVED
That the following RECOMMENDATION be made to Executive Cabinet:
That Capital funding for the phase 2 expansion of the free to use public Wi-Fi network into Audenshaw, Denton, Stalybridge, Hyde, Hattersley/Longdendale, Dukinfield and Mossley of £134,951 be approved.

45. REFUSE COLLECTION VEHICLES – REPLACEMENT

A report was submitted by the Assistant Executive Director, Environmental Services, explaining that Waste Services currently delivered its service to a growing population as well as requiring a change in operational delivery, due to the need to improve recycling.

The Waste Service currently operated a fleet of 31 refuse collection vehicles to deliver its services. This fleet was broken down into two age ranges, those being 22 vehicles purchased in 2009 currently aged 6 years and 9 vehicles purchased 2012 now aged 3.5 years. The optimum operational life expectancy for a refuse vehicle was 8 years (with an interim refurb program at 6 years).

Authorisation was sought to replace the 22 vehicles purchased in 2009, which would be due for replacement in January 2017. In order for the Council to maintain its service delivery and continue to increase its recycling rates to reduce landfill use and generate savings via a reduced waste levy, it was essential that this fleet was not allowed to operate as a front line fleet, past the 8 years optimum life.

It was reported that, due to the specialist nature of these vehicles, the procurement process and the manufacturers build times (currently 6-9 months), it was essential that work on replacing the fleet must begin immediately to ensure orders could be placed as early into 2016 as possible to ensure delivery for 2017.

Based on previous build prices with an estimated inflationary increase in manufacturing costs it was anticipated that the purchase price would be approximately £3,059,700.

Based on the costings detailed in the report it was explained that there were two funding options. Option 1 Fully fund via Prudential Borrowing and Option 2 Fund via Prudential Borrowing offset by Use of Transport Reserves and Residual Values of the 19 vehicles to be disposed of, as detailed below.

	Option 1- Replace All Fully fund via Prudential Borrowing	**Option 2- Replace All Part fund Prudential Borrowing, Use of Reserve and Vehicle Residual Values**
Purchase Price	£3,059,700	£3,059,700
Less: Use of Reserve	0	£420,277
Vehicle Residual Values (Estimated)	0	£119,240
Subtotal	**£3,059,700**	**£2,520,183**
Interest	£306,259	£252,256
Cost to the Council	**£3,365,959**	**£2,772,439**
Annual rental cost	**£876,039**	**£801,849**

The proposed funding option was Option 2, which provided the most cost effective purchasing option for the Council.

To ensure provision was made to contribute to the vehicle replacement reserve which would assist in funding future fleet purchases it was proposed that services would be charged Option 1 (making a saving of £925,658 less £876,039 equated to £49,619 and the difference paid into the Vehicle Replacement Reserve.

RESOLVED
That the following RECOMMENDATION be made to Executive Cabinet:
(1) That approval be given to purchase the Refuse Collection vehicles, using the best value funding option, Option 2 (as detailed), via Prudential Borrowing, use of reserves and residual values; and
(2) That the new borrowing/hire costs be met by Waste Service revenue budget over the 8 year period via vehicle rentals issued through Transport Services, charging as outlined in Option 1 (as detailed) and any saving that materialises by funding using Option 2 be added to the Vehicle Replacement Reserve.

46. HYDE LEISURE PHASE 2 – SYNTHETIC FOOTBALL PITCH

The Director of Public Health submitted a report explaining that Hyde United Football Club was seeking financial and technical support from the Council to convert its existing natural turf (grass) pitch at Ewen Field Stadium to a Fédération Internationale De Football Association (FIFA) 2 Star synthetic turf pitch for the start of the 2016/17 football season.

It was reported that on 22 June 2011, the Council approved a £1.0m capital investment scheme for Hyde. Phase 1 of this scheme incorporated plans to:

- Re-drain and resurface the natural turf pitch at Hyde United FC / Walker Lane;
- Reclaim and clear redundant land between the Leisure Pool and Hyde United FC;
- Extend the existing Active Hyde Leisure Pool car park to provide 198 spaces; and
- Install a Multi-Use Games Area at Millennium Green.

The above works were successfully completed in December 2011 at a cost of £0.595m leaving a residual balance of £0.405m in the 2015/16 capital programme.

The Council's decision also made provision for a phase 2 element which included the development of facilities at Hyde United Football Club including a synthetic 3G pitch and a community building. The original planned completion date for Phase 2 was July 2012.

In order to successfully deliver phase 2 it was envisaged that the Club would seek a match funding capital contribution from the Premier League's Community Fund. It was agreed that once the outcome of the Community Fund bid was known a further report would be presented to the Council to approve the start of phase 2.

Due to the considerable time lapse that ensued, the matter was considered at the Joint Meeting of the Council's Executive Cabinet and Overview (Audit) Panel on 12 February 2014. At the meeting it was resolved that**:**

Hyde United FC be given a deadline of 31 March 2014 to confirm that the necessary funding from the Football Foundation is in place for the scheme. If a definitive guarantee was not provided by 31 March 2014, then the Council's capital support for the scheme would be withdrawn.

Funding was not secured by the deadline established above and on 14 July 2015, the Council received notification from the Club that its bid to the Football Foundation had been unsuccessful.

The Club, having considered its options, then sought financial and technical support from the Council to utilise the remaining capital funding to convert the current stadium pitch at Ewen Fields to a synthetic turf pitch in time for the start of the 2016/17 football season at a cost of £0.405m. The matter was set out a report to Strategic Planning and Capital Monitoring Panel on the 30 November 2015. At the meeting it was resolved:

(i) *That the Council offer a premium to Hyde United Football Club Limited for the early surrender of the existing 125 year lease in respect of the land and buildings, currently known as Ewen Fields, Grange Road, Hyde, Cheshire. SK14 2SB of £125K and the Borough Solicitor be authorised to grant a 25 year lease at a rental of £6.25K subject to annual RPI, in respect of the same land and buildings, and to reflect the markets terms subject to a rolling annual mutual break, (contracted out of the landlord & Tenant Act 1954), and subject to a condition of the deal, that Hyde United Football Club repays an outstanding loan made to the Club from the premium; and*

(ii) *With regard to the request from Hyde United Football Club, seeking financial and technical support from the Council to utilise the capital funding to convert the current stadium pitch to a synthetic surface in time for the start of the 2016/17 football season at a cost of £0.405 million, that, further to the resolution (i) above, a new bid for support for facilities be submitted to be considered at a later date.*

The Club, having evaluated its position based on the outcome of the meeting of the Strategic Planning and Capital Monitoring Panel, decided to take up the Council's offer of considering a new capital bid for the development. The Club had asked that the matter to be considered by the Council as soon as possible to meet their challenging timescale for the project. If approved the scheme needs to be fully completed by the start of the 2016/17 football season.

The report set out the aspirations of the Club, the proposed scheme and its longer term viability, how the scheme could be delivered and the likely benefits and risks associated with the development.

It was reported that the Club had no match funding and the entire financial liability for the scheme would rest with the Council. It was also noted that any approved proposal would need to be financed by borrowing which would require an annual revenue repayment. There was no provision within the Council's Medium Term Financial Strategy for this additional expenditure.

The report concluded that there was a strategic need for developments such as detailed in the report. However, the benefits and outcomes of the proposal, and other schemes like it, were difficult to accurately quantify. The proposal was likely to have a significant impact in the immediate locality, and the extent the wider community of Tameside would benefit needed to be considered. The Council needed to ensure that where it invested in the provision for sport and health and wellbeing across the borough it was sustainable and that it would have a significant impact on addressing health inequalities.

The development at Hyde United FC created a significant disposal opportunity at the former Leigh Primary School site. A sizable capital receipt was envisaged subject to planning consents.

The risks associated with the scheme, detailed fully in the report, were significant and needed to be considered against the likely benefits of the scheme.

Detailed discussion ensued with regard to the proposed scheme, particularly with regard to the significant risks associated with it and Members sought assurances that risks would be carefully monitored going forward.

RESOLVED
That the following RECOMMENDATIONS be made to Executive Cabinet:
(1) That the Scheme, as set out in the report, be supported;
(2) That the Council enters into a community use agreement with Hyde United Football Club in a form to be approved by the Borough Solicitor, which will include a performance regime with deductions for non-availability or non-delivery under the agreement;
(3) That a capital budget of £0.415m be established in 2016-17 Capital Programme; and
(4) That the former Leigh Primary School site be disposed of subject to the necessary planning consents and the receipt be used to fund the proposed scheme.

CHAIR