

Report To: **STRATEGIC PLANNING AND CAPITAL MONITORING PANEL**

Date: 11 July 2016

Reporting Officer: Damien Bourke - Assistant Executive Director (Sustainable Growth and Assets)
Ian Saxon – Assistant Director (Environmental Services)

Subject: **CORPORATE ASSET MANAGEMENT PLAN UPDATE**

Report Summary: The attached report is intended to update members of the Strategic Planning and Monitoring Capital Panel with progress on the disposal of the Council's surplus assets, anticipated capital receipts that will be realised and investment that is required to maintain those buildings being occupied and retained or dilapidations arising from the termination of leases.

Recommendations: That Strategic Capital Panel Members review the contents of the report and RECOMMEND to Cabinet that the:

- a) Note the list of 'properties for disposal but not yet completed' identified in **Appendix 1**;
- b) The allocation of £175,126 to undertake building condition replacement / repair projects as detailed at paragraph 3.2
- c) The allocation of £20,000 to facilitate works at Silver Springs, Stamford Park.

Links to Community Strategy: To support the delivery of the objectives of the Community Strategy.

Policy Implications: Expenditure in line with financial and policy framework. To assist in delivering a balanced budget and support the sustainability of the local economy.

Financial Implications: Substantial work has been undertaken to vacate, market and dispose of a number of buildings. The schedule of 'properties for disposal but not yet completed' at **Appendix 1** will allow the Council to further reduce its asset portfolio and reduce the ongoing revenue costs associated with these properties.

(As authorised by the Section 151 Officer) Section 3.2 of this report sets out the reactive work which is required to buildings. There is currently no funding identified for these costs. The costs of £175,126 requires approval to be funded and included within the Capital programme. Any revenue costs associated with this investment must be met from existing revenue budgets.

The current approach to repairs and maintenance is purely reactive which does not allow the Council to undertake works in the most efficient or effective way. A repairs and maintenance strategy should be developed, which would support condition surveys on buildings and allow for a forward plan of works to be produced. This would need to be supported with an appropriate budget, which should be the subject of a future report.

In addition to the above capital funding of £20k is being sought to undertake repairs in the Silver Springs area of Stamford Park. There is currently no funding identified for this, approval is sought through the panel to add this project to the capital programme.

Repairs have already been undertaken which have been funded previously via Public Health of £20k and £20k from an external funder, the above funding will complete the project.

The Playing Pitch Strategy will require an investment of staffing time, which must be funded from within existing Council budgets.

The amended Strategy and Action Plan Report sets out that further maintenance work is required to improve the quality of pitches. There is currently no funding available for this, should these works go ahead consideration must be given to source of funding, including attracting funding from third parties.

Legal Implications:

**(As authorised by the
Borough Solicitor)**

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

The allocation of funding from the capital programme for works in the Silver Springs area of Stamford Park will ensure the continued use of the site with the contingent health benefits and ensure the site remains safe for users.

Risk Management:

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

Access to Information:

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1. INTRODUCTION

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

2. DISPOSAL OF ASSETS

Disposal Strategy

- 2.1 The Asset Disposal process continues a pace with a figure of £6,283,500 achieved in the last 6 months (including Stamford High School).
- 2.2 Planning and Section 77 consultations are now underway on the 5 larger school sites and a process of active marketing is also on track. Work is underway on master planning the large site at Windsor Road in Denton and discussions around a potential disposal are proving positive.
- 2.3 **Appendix 1** provides additional information in respect of properties that have identified for disposal or where tenants have sought to acquire the freehold of the properties that they lease.
- 2.4 Properties being actively marketed for sale or lease, will be advertised on the Council's website, in addition to the marketing agents sites. Where potential disposals will impact on tenants, for example sale of garage or garden plots, which have become too expensive to administer, written notification will be given to tenants in advance for the proposed sale.

Leased Buildings

- 2.5 As reported at previous meetings of the Panel, the Council's policy is to terminate leases it has for buildings owned by others and to relocate services to surplus space in Council owned properties, where this delivers value for money, to reduce the revenue cost of operating and occupying buildings.

3. INVESTMENT IN CIVIC AND CORPORATE BUILDINGS

- 3.1 There is no reactive maintenance budget included within the corporate landlord budgets and any repairs or upgrading of the buildings requires a request for additional investment to be made to the Panel for approval by Cabinet. In the past few months a number of repairs have been requested for civic and operational buildings for which there is no revenue or capital budget allocation. Analysis of capital spends for February 2016 to May 2016 is £175,126. In addition there has been spend of £68,742 in regard of property related revenue type spend in the same period.
- 3.2 The analysis of the capital investment required in respect of health and safety /essential operational repairs is below. In some cases these repairs have already had to be undertaken to allow the buildings to remain operational:

Building	Estimated Cost
	£
Roughtown Community Centre – roof repairs	7,781
Hyde Town Hall – roof access system	42,397
Dukinfield Town Hall – roof access system	21,337
Dukinfield Town Hall – repairs to clock and fitting of regulator	6,105
Denton Centre – roof repairs	1,565

Ryecroft Hall – foyer roof repairs	2,705
George Lawton Hall – security repairs and reinstatement	3,884
Dukinfield Library – roof repairs	1,350
Linden Centre – boiler upgrade	6,519
Cedar Park – roof repairs	2,535
Dukinfield Park Pavilion – floor replacement	1,336
Rydal House /Loxley House Day Care Centres – replacement of fire doors	4,902
Stalybridge Library – water pipe replacement	3,377
Hyde Town Hall – repairs to ceiling collapse	3,557
Wilshaw House - water pipe replacement	1,902
Hattersley Childrens centre – repairs to water damage ceiling/floor	1,542
Hyde Town – replacement facia boards	2,531
31 Clarence Arcade – boiler replacement	1,041
Mossley Youth Base – replacement fire doors	3,315
Loxley House – boiler replacement	2,871
Hyde Youth and Community – replacement fire doors	1,868
St. Lawrence Childrens Centre – main door replacement	1,629
31 Clarence Arcade – repairs to drainage system	1,593
Ridgehill Family Support Centre – repairs to front structure	10,487
Hyde Town Hall – automatic door replacement	1,160
Denton Centre – repairs to skylights	2,437
Dukinfield Town Hall – automatic door replacement	2,830
Ashton Market Hall - automatic door replacement	2,638
Two Trees – security door replacement	1,168
Denton Festival Hall – boiler and pipework replacement	13,946
Hyde Town Hall – boiler and pipework replacement	12,818
TOTAL	175,126

4. STAMFORD PARK - INFRASTRUCTURE IMPROVEMENTS TO SILVER SPRINGS

- 4.1 There is a requirement to ask Panel approval for £20,000 to undertake repairs in the Silver Springs area of Stamford Park.
- 4.2 This work will complement and complete a package of repairs already undertaken to footpaths and drainage around the Silver Springs and Stamford Park sites. Previous funding comprises:
- £20,000 from Public Health.
 - £20,000 already received from external funder – SITA.
- 4.3 The degradation of the footpaths has been exacerbated over a particularly wet winter and an overall increase in use of these paths. This project will enable wider access to the site from key locations such as the Ridgehill Housing area and Tameside Hospital and there is a risk that if path improvements are not undertaken existing users will stop taking these routes and levels of physical activity may reduce.
- 4.4 This project will improve the Park Run course and will make it more accessible and is likely to increase the number of participants.

5. SPORT & LEISURE ESTATE INVESTMENT – PROGRESS UPDATE

- 5.1 On 24 March 2016 Executive Cabinet considered a report setting out proposals to ensure the provision of high quality sports and leisure facilities in Tameside, creating a platform to

reduce physical inactivity and develop a sustainable funding model in relation to Active Tameside. Executive Cabinet approved specific proposals in relation to:

- Changes to the existing Tameside leisure estate, including a programme of capital Investment;
- Increasing commercially profitable activity;
- Growth in inward investment;
- Maintenance and repairs.

5.2 Once implemented in full, the proposals will enable revenue investment in Active Tameside to be reduced from £1.865 million in 2015/16 to £0.715 million by 2019/20 (a reduction of £1.150 million or 62%), and to £0.441 million by the end of the contract in 2023/24 (a reduction of £1.424 million or 76%).

5.3 A summary of progress to the end of June 2016 on the delivery of the sport and leisure estate investment programme is shown in the table below:

Scheme Element	Capital Investment	Progress Update
Copley Boiler Scheme	TMBC - £0.369m	Enabling works began in May 2016 and the installation will be completed in September 2016. The Copley Academy has installed its own heating system which is now fully operational.
Replacement of synthetic turf pitches at Copley	TMBC - £0.177m	The scheme is currently out to tender. To ensure minimum disruption to Copley Academy, works will be undertaken in August and will be concluded before the schools returns in September. The existing Copley pitches will be out of operation for approximately 4 weeks.
Roof Replacement at Medlock	TMBC - £0.120	Medlock is home to Sky High Adventure which generates significant income for Active Tameside particularly during school holiday periods. A roof replacement scheme during the 2016/17 holiday period could significantly impact on the operation of Sky High adversely affecting Active Tameside's revenue position. An inspection of the roof has determined that it is not in danger of imminent failure. Therefore, it is proposed that design work will commence in September 2016 with installation planned for spring 2017. Work will be completed before the start of the summer 2017 school holidays. The proposal will result in £0.100 being slipped in the Capital programme from 2016/17 to 2017/18.
Wave Machine replacement at Active Hyde	TMBC - £0.060	The wave machine replacement at Active Hyde will require a facility closure to install which will result in loss of income for Active Tameside. Active Hyde will need to close again at some point in the future to integrate mechanical and electrical systems as part of the new pool extension. In order to minimise the impact of both developments it is proposed to delay the wave machine replacement until the centre closes for the integration of the new pool during 2017 resulting in one temporary closure

		instead of two. The proposal will result in £0.060m being slipped in the Capital Programme from 2016/17 to 2017/18.
New Active Denton Facility including a commercial offer	TMBC - £13.674m AT - £1.050m	Design development of the new facility is ongoing and will continue to a point where cost certainty has been established to inform the next stage of governance – proceed to detailed design development including planning and the intended procurement strategy for the development. The challenging completion date is currently in keeping with the projected timescales set out in the 24 March Executive Cabinet Report.
Extension to Active Hyde	TMBC - £2.00m	Architects have now been appointed to develop the scheme design to a point where cost certainty can be established in order to inform the next stage of Governance – approval to proceed. The latest estimate for completion, which is subject to change based on a fully developed programme, is December 2017. This is due in part to the need to fully integrate mechanical and electrical systems to deliver the scheme within budget, which will impact upon the reduction in the management fee attributed to the facility from March 2017.
Redevelopment of Active Dukinfield	TMBC - £1.300m AT - £1.000m	The business case for the redevelopment of Active Dukinfield was considered and approved by the Single Commissioning Board on 7 June 2016. Enabling works began on site on 13 June 2016 with completion due in November 2016.
Redevelopment of Active Longdendale	AT - £0.800m	The business case for the redevelopment of Active Longdendale will be considered by the Single Commissioning Board on the 5 July 2016. If approved works will commence in mid-July with completion due on 17 October 2016.

7. RECOMMENDATIONS

7.1 These are set out at the front of the report.

APPENDIX 1

List of Property Identified for Disposal but Not Completed at 23 June 2016

Property	Annual Lease Payment (Forfeited) / Achieved
Land at Egerton Street	
Land rear 5-9 Seel Street,	
M66 Highways settlement – receipt	
Gorse Hall Former Day Centre	6,000
Kynder St, Denton	
Cavendish Street	
Katherine House	
Wakefield Road	
Wellington Road	
Lake Road	
Land at Charlestown Industrial Estate, AUL	
Garage site at Botany Lane	(2,500)
Wilshaw Lane Ashton former school site	
Manchester Road, Hyde	
Ashton Hill Lane, Droylsden	
Denton Nursery	
Unit 2 Rassbottom Street	
Marie Close, Denton	
1 Pickford Lane	
Carr Rise, Grazing Land	
Carr Rise, Grazing Land	
Land at Boundary Close	
Land rear Trafalgar Square	
Land at Windsor Road Denton	
Johnson Brook Road, Hyde	
Spring Gardens, Hyde	
St Mary's Road, Hyde	
Leigh Fold, Hyde	
High Street, Stalybridge	
Pine Road, Stalybridge	
Pickford Lane, Dukinfield	
Hawthorn Road, Denton	
Former Hartshead High School	
Former Mossley Hollins School	
Former Samuel Laycock School	
Former Littlemoss High School	

Former Two Trees High School	
Former Sunday School, Taunton Road, Ashton	
Crown Street, Car Park	
Former Hyde Library / Union Street building	
Longdendale Children's Centre	
Land at Huddersfield Road, Stalybridge	
Land rear of 27 Poplar Grove	
St James Children's Centre	
Totals (exc TBC)	3,500

APPENDIX 2

Capital Receipts Realised

Site	Town	Date Sold	Receipt Realised £
Land at Stamford Street	Stalybridge	08/10/2015	52,000
5 Newton Street	Ashton	08/10/2015	51,000
Hardwick Street / Moss Street West	Ashton	14/10/2015	35,500
Holden Street	Ashton	08/10/2015	30,500
Land at Wellington Street	Ashton	08/10/2015	106,000
Land at Margaret Street	Ashton	06/10/2015	60,000
Land at Board Street / Kings Road	Ashton	01/10/2015	20,000
Former Stamford High School	Ashton	TBC	4,250,000*
Beyer Peacock Centre,	Audenshaw	23/09/2015	90,000
Land adj 148 Moorside Street	Droylsden	08/10/2015	29,000
Land at Frances Street, Hyde	Hyde	08/10/2015	41,000
Land at Throstle Bank / Furnace Street	Hyde	14/10/2015	42,500
Land at Johnsonbrook Road / Ashton Rd	Hyde	07/10/2015	18,000
Mottram Court House (lost deposit at auction - buyer withdrew)	Longdendale		6,000
Compton Street Car Park	Stalybridge	08/10/2015	20,000
Cross Hope Street Car Park	Ashton	22/10/2015	10,000
Land at Hope Street	Dukinfield	22/10/2015	27,000
Grey Street, Car Park	Stalybridge	22/10/2015	31,000
Field Street, Car Park	Hyde	22/10/2015	49,000
Land at Huddersfield Road	Stalybridge	22/10/2015	45,000
Hallbottom Street Car Park	Hyde	22/10/2015	7,500
Audenshaw cemetery lodge	Audenshaw	Jan 2016	116,000
James Howe mill	Ashton	January 2016	205,000
Land at Ripon St/botany Lane/Mount Pleasant St	Ashton	April 2016	50,000
Land at Midge Hill	Mossley	April 2016	25,000
Wimpole Street	Ashton	22/10/2015	14,000
February Auction total	Tameside	Feb 2016	223,000
December auction total	Tameside	Dec 2015	280,500
April auction total	Tameside	April 2016	277,000
Edge Lane Arcon	Droylsden	Jan 2016	37,000
Land at Queens Road	Ashton	22/10/2015	35,000
Total excluding Stamford High School			2,033,500
Total with anticipated Stamford High School			6,283,500

*Completion imminent

Leases Completed

Property		Purchaser / Future Use	Annual Lease Payment (Forfeited) / Achieved
Werneth House	Hyde	Management Association	5,000