

<b>Report To:</b>	<b>STRATEGIC PLANNING AND CAPITAL MONITORING PANEL</b>
<b>Date:</b>	5 September 2016
<b>Reporting Officer:</b>	Damien Bourke - Assistant Executive Director (Development, Growth and Investment) Ian Saxon – Assistant Director (Environmental Services)
<b>Subject:</b>	<b>CORPORATE ASSET MANAGEMENT PLAN UPDATE</b>
<b>Report Summary:</b>	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.
<b>Recommendations:</b>	That Strategic Capital Panel Members review the contents of the report and RECOMMEND to Cabinet that the: <ul style="list-style-type: none"> <li>a) Approval of the list of disposals identified in <b>Appendix 1</b>;</li> <li>b) The opportunity purchase of an industrial site on Boodle Street, Ashton with marriage value to existing council land for investment/development purchase price expected to be less than £130k be made from the opportunity purchase fund with any return realized on the investment being used firstly to replace the resource in the fund.</li> <li>c) The allocation of £78,624.01 to undertake building condition replacement/repair projects as detailed at paragraph 3.2</li> </ul>
<b>Links to Community Strategy:</b>	To support the delivery of the objectives of the Community Strategy.
<b>Policy Implications:</b>	Expenditure in line with financial and policy framework. To assist in delivering a balanced budget and support the sustainability of the local economy.
<b>Financial Implications: (As authorised by the Section 151 Officer)</b>	<p>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 <b>Appendix 1</b> will allow the Council to further reduce its asset portfolio and reduce the ongoing revenue costs associated with these properties.</p> <p>The request to fund the purchase of an industrial site on Boodle Street, Ashton with an expected price of less than £130k could be funded initially from Opportunity Purchase fund. Any return realized on the investment should be used firstly to replace the resource in the fund.</p> <p>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 cost of £78,624.01 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.</p> <p>The current approach to repairs and maintenance is purely reactive which does not allow the Council to undertake works in</p>

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.

**Legal Implications:**  
**(As authorised by the  
Borough Solicitor)**

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

We need to ensure going forward that the assets set out in appendices are clearly linked to the references on the Transparency List of properties published in line with legislation.

**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 apace with a figure of £6,766,500 achieved in the last 9 months. The Estates team is in the process of updating the list of land for sale with newly identified parcels. This will be covered in a further annex to this report at the next meeting and an updated website list will be added.
- 2.2 Planning, Public Consultations and Section 77 consultations are now well underway on the 5 larger school sites and a process of active marketing is also on track. Work is underway on masterplanning the large site at Windsor road in Denton. Consultation with local members and stakeholder groups has started and discussions have been positive.
- 2.3 Renewed focus is being placed on the next two Auctions (September 13 and October 18) with 6 sites being submitted for September and work is ongoing for a number of sites to be potentially sold in October.
- 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.
- 2.5 **Leased Buildings** - As reported at previous meetings of the Panel, the Council's policy on operational buildings is, where possible, 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.
- 2.6 **Appendix 1** provides additional information in respect of properties that have been identified for disposal or where tenants have sought to acquire the freehold of the properties that they lease.
- 2.7 **Appendix 2** lists the Capital Receipts realised as at August 17 2016.
- 2.8 **Appendix 3** details briefly additional Property work carried out by the team and achievements of note, such as securing increase at Rent reviews in favour of the Council, serving of break notices, any lease renewals and properties of note acquired.
- 2.9 **Opportunity Purchase.** There is an opportunity to purchase the former Travis Perkins site at Boodle Street in Ashton. The site is adjacent to council owned land in a successful industrial estate. A business case is being developed around an investment opportunity on the combined site, however we have a short window to purchase this site following the previous purchaser pulling out. It is recommended that the council purchases this site valued at around £130k in order to progress the investment opportunity.

### 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 June 2016 to August 2016 is £78,624.01. In addition there has been spend of £18,649 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
	£
Dukinfield Town Hall – repairs connected to flood damage	6111.23
Denton Town Hall – work to water system	5983.44
Hyde Market Hall	10336.28
Tame Street Depot – flood repairs doors/lighting	16775.47
Wilshaw House – repairs to heating system	3496.96
Hyde Town Hall – ceiling repairs	3858.17
Grafton Centre Rydal House – repairs to heating system	1353.85
Concord Suite – repairs/remedials to water system	4736.89
Jubilee Gardens – repairs to leak in water system	2795.56
Hurst Resource Centre – repairs to heating system and roof	3705.17
St Peters Childrens Centre – roof repairs	1769.66
Mossley Youth Base – repairs to drainage system	2145.41
Clarence Arcade – repairs to fire doors	1500.15
Festival Hall –basement heating repairs and remedials	2102.13
Hyde Youth and Community –repairs to fire doors	1396.57
Tameside Central Library – repairs to lift shaft	4,423.38
Rydal House – repairs to fire doors	1241.96
Stamford Park – repairs to heating and shutters	1006.34
Denton Centre – roof repairs	720.46
Hattersley Childrens Centre – repairs to heating system	827.11
Ashton Market Hall – repairs to drainage system/leak	2337.82
<b>TOTAL</b>	<b>78,624.01</b>

### 4. SPORT & LEISURE ESTATE INVESTMENT – PROGRESS UPDATE

- 4.1 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.
- 4.2 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).

4.3 The following table provides a summary of progress on the delivery of the sport and leisure estate investment programme up to the 15 August 2016;

Scheme Element	Capital Investment	Progress Update
Copley Boiler Scheme	TMBC - £0.369m	Work 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	Work began on site on the 5 August and the installation will be completed by the 5 September 2016. The timing of the installation has ensured minimum disruption to The Copley Academy, with the facility being back in operation to coincide with the start of the new term. All existing bookings have been offered alternative slots at other Active Tameside facilities across the borough.
Scheme Element	Capital Investment	Progress Update
Roof Replacement at Medlock	TMBC - £0.120	Design work for the roof covering replacement has begun. The installation will take place in March/April and May 2017 to ensure that the facility is fully operational for the start of the summer school holidays. The timing of the installation 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

Scheme Element	Capital Investment	Progress Update
		March Executive Cabinet Report.
Extension to Active Hyde	TMBC - £2.00m	Architects are developing 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 revised completion date is due in part to the need to fully integrate mechanical and electrical systems to deliver the scheme within budget. The revised opening date will impact upon the reduction in the management fee attributed to the facility from March 2017.
Redevelopment of Active Dukinfield	TMBC - £1.300m £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	TMBC - £0.800m	The business case for the redevelopment of Active Longdendale was considered and approved by the Single Commissioning Board on the 5 July 2016. On site development has now begun with completion scheduled for mid to late October 2016.

## 5. RECOMMENDATIONS

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

# APPENDIX 1

List of Property Identified for Disposal but not yet completed at 17 August 2016.

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

Property	Purchaser/Future Use/commentary on state of play	Estimated Sale Price (£)
Former Hartshead High School, Lees Road	Outline planning application underway	10,000,000
Two Trees former School Site	Outline planning application underway	10,000,000
Mossley Hollins School Site, Huddersfield Road	Outline planning application underway	1,750,000
Former Littlemoss School	Outline planning application underway	1,700,000
Denton Plant Nursery	Progressing SI surveys	1,500,000
Land rear of 55-113 Bennett Street	Playing field flanked by licenced garages	1,000,000
Former Samuel Laycock School, Mereside	Outline Planning/Marketing to commence	845,000
Land at Leigh Street	Former school site	800,000
Land at Windsor Road	Interest received	800,000
Hyde Library & Union Street Building		750,000
Droylsden Canalside	Watkin Jones Development	420,000
Newton Street / Spring Gardens	On NCHT List	410,000
Pole Bank Hall	Polebank Hall Carehome	400,000
Johnsonbrook Road	On NCHT List	350,000
Park Bridge Visitor Centre	Café served notice to vacate/ visitor centre vacant	335,000
Land at Captain Clark Rd	Polemarch Industrial Ltd	320,000
Droylsden Library, Manchester Road		300,000
Plot B Hattersley IE	Currently being marketed	300,000
Land at Ashton Hill Lane	RH& CO instructed.	300,000
Land at Broadway	Stockport Trucks	300,000
Land at hill Street	Heathdown Properties Ltd	300,000
Katherine House	New Charter early payment of clawback provisions	296,849
Land at Queens Road		295,000
Wellington Road	New Charter early payment of clawback provisions	251,409
Grazing land	40 acres say 5% to 10% suitable for development @ £250p/a	250,000
Rydal House	Disposal when vacated	250,000
Land at Newmarket Grove	Former Sunday school plus playing field	250,000
Leigh Fold	On NCHT List	250,000
Pine Road	On NCHT List	250,000
Morningside / Fairfield Avenue	On NCHT List	225,000

Land adjacent to 222 Manchester Road	Tameside 500 Site?	212,500
Melbourne Street Car Park	Sale terms agreed	200,000
Land at Wakefield Road / Pennine View	Bardsley Construction Limited	200,000
Plot A Hattersley IE		200,000
High Street, Stalybridge	On NCHT List	190,000
Stalydene School Site	On NCHT List	180,000
Land at Boodle Street		180,000
Bankside House / Riverside House, Astley Street		175,000
Astley Street / Hadfield Street	Globe Scaffolding	175,000
Lake Road	New Charter early payment of clawback provisions	166,540
Roughtown Community Centre		150,000
Crown Street Car Park	Bardsley Construction Limited	145,000
Cavendish Street	New Charter early payment of clawback provisions	141,960
Land at Hadfield/Astley/Globe Sq	MS Estates	140,000
Wild Street		140,000
Land at Wild Street,	Advanced workshops Ltd	140,000
Wakefield Road	New Charter early payment of clawback provisions	126,477
Residual Garage Sites		125,000
St. Lawrence Children's Home,		125,000
Land at Katherine Street	Ahmed Brothers	125,000
Unit 3 Hattersley Industrial Estate	Richard Oakley	120,000
Kynder Street	New Charter early payment of clawback provisions	110,880
Old Street / Dale Street East, AUL	On NCHT List	110,000
Land at Water Street		80,000
M66 Highways Settlement	Settlement of compensation claim	75,000
Land at Acres Lane	Surplus open space	50,000
Pole Bank Depot	Interest from nursing home.	50,000
<b>Total (excluding potential sales below £50,000)</b>		<b>£39,031,615</b>



## APPENDIX 2

### Capital Receipts Realised as at 17 August 2016

Site	Location	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	11/12/2015	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
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
June Auction	Tameside	June 2016	19,500
Sale of Land at Audenshaw Road	Audenshaw	July 2016	87,500
Land at Katherine Street Ashton	Ashton	July 2016	125,000
Land at Wild Street	Dukinfield	July 2016	140,000
Land at 376 Huddersfield Road	Mossley	June 2016	6,000
Unit 3 Hattersley Industrial Estate	Hattersley	July 2016	110,000
Edge Lane Arcon	Droylsden	Jan 2016	37,000
Land at Queens Road	Ashton	22/10/2015	35,000
<b>Ongoing Total</b>			<b>£6,766,500</b>

## APPENDIX 3

### Acquisition

320 Stockport Road, Denton	Ashton	June 2016	£325,000
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### Leases Completed since last report:

Property	Location	Purchaser / Future Use	Rental income per annum (£)
Unit 12 Charlestown	Ashton	Becker Trading Ltd- 3 Year Term	6,000
Unit 14 Charlestown	Ashton	Accessible Bathrooms Ltd- 3 Year Term	5,750
Werneth House	Hyde	Management Association	5,000

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

- Terminal Dilapidations claim against the council at Greencroft house, Hyde of £86,647 - Lease expiry date April 2017.
- Aeroworks 5 Adair street, Manchester – Break date of 3 June 2016 exercised- on behalf of Greater Manchester Public Health Network (GMPHN)
- “Learn” at St Annes, Burlington St. Ashton- Adult Education- Lease terminated from 31 August 2016

### Jun-16

Land r/o 44-46 Market Street, Hyde	Rent Review	Increased by £1,100 to £2,500
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### Jul-16

Garage Site, Haughton Street, Hyde	Lease Renewal	Rent increased by £375 to £1,000
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### Aug-16

Plot 6 Langham Street, Ashton	Rent Review	Increased by £1,220 to £5,900
Land at Astley Street, Dukinfield	Rent Review	Increased by £1,605 to £12,955