

Report to: EXECUTIVE CABINET

Date: 28 July 2021

Executive Member: Councillor Oliver Ryan – Executive Member (Finance and Economic Growth)

Reporting Officer: Jayne Traverse, Executive Director for Growth
Paul Smith, Assistant Director – Strategic Property

Subject: STALYBRIDGE CIVIC HALL ROOF REPLACEMENT

Report Summary: This report provides update on the status Stalybridge Civic Hall Roof project and seeks recommendations as to funding.

Recommendations: That Executive Cabinet be recommended to approve an additional budget of £1,138,721 is allocated to the Stalybridge Civic Hall roof replacement project (Stalybridge High Street Heritage Action Zone scheme) and added to the approved capital programme.

Corporate Plan: This scheme follows the objectives of the corporate plan.

Policy Implications: In line with procurement and financial policy framework.

**Financial Implications:
(Authorised by the statutory
Section 151 Officer & Chief
Finance Officer)** The report proposes an increase in the capital budget for the Stalybridge Civic Hall roof replacement project (Stalybridge High Street Heritage Action Zone scheme) of £1.139m.

The approved capital programme scheme of £2.550m (supported by £1.275m of High Street Heritage Action Zone grant) includes a sum of £0.559m (£0.284m supported by the grant allocation) for the replacement of the roof.

The report sets out the details for the increase in the related estimated expenditure on the roof with a revised total cost of £1.698m (section 3.2 and Appendix 1 of the report refers).

Members should note that this is currently an estimate and not the final cost as explained in section 4.1. Clearly there are potential increased cost implications that need to be noted at this stage until the scheme is formally tendered.

Members are also reminded that the current anticipated level of capital receipts of £15.3m is based on the disposal of surplus assets approved by Executive Cabinet in September 2020. The current approved capital investment programme requires a minimum of £22.219m of capital receipts or reserves. Additional Statutory Compliance works are also expected to be approved requiring a further £0.499m of receipts or reserves, bringing the total call on corporate resources to £22.718m. Any additional priority earmarked schemes that are approved by Executive Cabinet will increase the amount of corporate funding needed for the capital programme.

Forecast Corporate Funding:	£'000
Capital Reserves	£14,593
Anticipated Capital Receipts	£15,300
Total	£29,893

Funding committed to approved schemes:	
2020/21 approved programme	£7,953
2021-23 approved programme	£14,266
Statutory Compliance earmarked pot	£499
Total	£22,718
Balance of forecast funding available	£7,175
Earmarked Schemes previously on programme*	£39,867
Shortfall in funding for earmarked schemes	-£32,692

Earmarked schemes previously included on the capital programme (reflected as * in the figures above) are almost £40m. Assuming that the planned disposals proceed there is a forecast balance of £7.175m of capital receipts to fund future earmarked capital schemes – a shortfall of more than £32m - meaning the broader capital ambition of the Council is currently unaffordable until such time as additional capital receipts are generated. Many of the earmarked schemes were identified in 2017/18 and therefore are now the subject of a detailed review and reprioritisation.

The Growth Directorate is reviewing the estate and developing a further pipeline of surplus sites for disposal, and a full refresh of the Capital Programme is being undertaken alongside this review of the estate. With the exception of the Statutory Compliance works, all other earmarked schemes will be removed from the programme and subject to review. A refreshed and reprioritised Capital Programme will then be proposed for Member approval in Summer 2021.

Members should note that the approval of the additional £1.139m budget for the Stalybridge High Street Heritage Action Zone scheme will reduce the forecast balance of funding available to support the reprioritised capital programme of the Council to £6.036m.

The additional budget for the scheme has been included within the recently submitted Levelling Up Fund (LUF) bid to central government for Stalybridge Town Centre (Total bid of £14.5m). The £1.139m will be released for future capital programme priority schemes if the LUF bid is successful.

**Legal Implications:
(Authorised by the Borough
Solicitor)**

As set out in the main body of the report, a recommendation is being sought for an additional budget allocation for this project.

Members should carefully note the comments in the financial implications particularly the impact that this approval will have on the overall funding available for the council's capital programme. Further Members need to be content that this spend represents best value for the council.

The works will be delivered by the LEP under the standard contract that it is not anticipated will require any variations. The works will also have to be approved by an Independent Valuer that is intended to ensure that the works represent good value for the Council. That said the Council is not at the stage where the works have been tendered and there is a fixed price so it's probably too early in the process to have such an accurate to the pound indicative price £1,697,671 given construction inflation is at a 25 years high particularly given the difficulty to obtain aggregates, timber, steel,

cement and concrete products and therefore likely to increase in price for the foreseeable future until tendered and contract entered into as noted in Appendix 1 penultimate bullet point:

Due to known risks and exclusions highlighted in paragraph 4.1 of the report (plus the removal and reinstatement of solar panels excluded by the LEP), the TMBC Capital Projects have included allowance of an industry standard minimum 10% contingency at this stage given the project is still at concept stage. This will allow coverage for a level of unforeseen variations that arise during intrusive surveys, design, obtaining Listed Building Consent, Tendering, reinstatement of items excluded from the contract and progression through to works completion. Though this cannot guarantee that the final tender is within the budget currently requested.

It should also be noted once we have a fixed price from the LEP it would not be necessary to include a contingency budget.

Background Information:

The background papers relating to this report can be inspected by contacting the report writer Will Thomas, Capital Projects Manager:



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1. INTRODUCTION

- 1.1 Stalybridge town centre was selected as Tameside's focus for the GM Mayor's Town Centre Challenge in 2018. Initial work to plan and progress the delivery of Stalybridge's Town Centre Challenge was co-ordinated by the Stalybridge Town Centre Challenge (STCC) Board and a Stalybridge Town Centre Challenge Action Plan now sets out the aspirations for the town centre.
- 1.2 A bid for external funding to deliver on the ambitions for Stalybridge secured £1,275m High Street Heritage Action Zone (HSHAZ) funding through Historic England with £1.275m match funding by the Council. The Grant Funding Agreement was completed on 16 February 2021.
- 1.3 The HSHAZ initiative is designed to deliver physical improvements and cultural activities to revive and regenerate high streets and restore local historic character. The bid for Stalybridge drew on the priorities expressed through the draft Strategy and Action Plan, matched against the criteria for HAZ funding.
- 1.4 The Project Officer has been appointed and with Historic England a detailed capital programme plan has been agreed, which outlines the projects and spend of the funding for the remaining 3 years of the HSHAZ project up to 31 March 2024. The whole project and programme of works are included in the Council's Approved Capital Programme.
- 1.5 One of the HSHAZ funded projects is for the replacement of the roof on Stalybridge Civic/Market Hall. The work is scheduled within the programme for 2021/22 for which a budget of £0.559m was allowed, based on a survey undertaken in 2019. With £0.284m provided by HE and the remaining £0.275m by the Council as part of the match funding agreement.
- 1.6 Further survey work to inform the roofing contract has now identified additional works that need to be carried out this includes replacement of the extensive roof lights which are in too poor a condition to re-use and the replacement of an essential health and safety access system which is also unable to be reused. The indicative price for the contract is £1.7m and this report requests an additional £1,138,721.

2 BACKGROUND

- 2.1 The earlier building survey, commissioned in August 2019, estimated that the works would cost in the region of £0.400m to £0.500m excluding VAT and professional fees. The project budget for the HSHAZ was set based on this estimate.
- 2.2 In April 2021 TMBC Capital Projects were instructed to oversee the works, and an indicative price was obtained via TMBC's infrastructure partner the LEP and Robertson Construction.

3 PROPOSAL UPDATE

- 3.1 Following inspection of the site by Robertson surveyors and specialist contractors, a number of additional items have been identified and added to the scope of works and are subsequently included in Robertson's indicative price. This included replacement of existing roof lights/ windows, replacement of the roof access and fall arrest systems which have deteriorated beyond safe reuse, and new cast iron guttering to two of the external slopes.
- 3.2 Inclusive of the revised scope, the indicative price now stands at £1,697,671. **Appendix 1** indicates a breakdown of the indicative price.

- 3.3 If the additional budget is approved, the Council will instruct the LEP to commence design and tendering work, confirm a programme and to submit a request for Listed Building Consent. An Executive Decision Notice would then be prepared for approval to enter into a contract.

4 RISKS

- 4.1 Cost Risk: The estimates in this report are indicative and the final cost of the works is subject to a number of factors, such as design, tendering, obtaining Listed Building Consent, the current high levels of construction inflation that are being experienced across the nation on all building materials and the difficulty in obtaining tenders, specialist/ heritage contractors and tradesmen.
- 4.2 Failure to secure additional funding for this project will prevent the scheme from progressing beyond its status. Should the roof not be replaced, further degradation of the building is likely which poses a H&S risk to the current and future occupants of the site, and could result in increased future costs to TMBC if water ingress is not halted.
- 4.3 The repurposing of the building is included as part of the HSHAZ programme, the roof replacement works will be a requirement, as it currently is not fit for purpose. Therefore, if the roof repairs cannot progress it will have a knock on effect to the ability to draw on the Historic England funding and risks to the remaining Stalybridge HSHAZ budgets and the remaining schemes and success of the overall project.
- 4.4 Failure to meet the spend profile and commission the project as set out in the Grant Funding Agreement will have reputational for risks to the Council and may result in Historic England reviewing the whole programme and potentially consider withdrawing from the Grant Funding Agreement altogether.

5 RECOMMENDATIONS

- 5.1 As set out at the front of the report.