STRATEGIC PLANNING AND CAPITAL MONITORING PANEL

28 November 2016

Commenced: 2.00pm **Terminated: 2.30pm**

Present:	**Councillor K Quinn (in the Chair)** **Councillors Cooney, Dickinson, Fairfoull, J Fitzpatrick McNally and Taylor**
Chief Executive:	**Steven Pleasant**
Monitoring Officer	**Sandra Stewart**
Section 151 Officer:	**Ian Duncan**
Also in attendance:	**Angela Hardman, Robin Monk, Damien Bourke, Ian Saxon, Alison Lloyd-Walsh, Paul Moore and Beverley Stephens.**
Apologies for Absence:	**Councillor B Holland**

17. DECLARATIONS OF INTEREST

Members	Subject Matter	Type of Interest	Nature of Interest
Councillor Taylor	Agenda Item: 6 – Active Tameside Capital Programme Update	Prejudicial	Chair of Active Tameside

Councillor Taylor left the room during consideration of the above and took no part in the voting or discussion thereon.

18. MINUTES

The Minutes of the meeting of the Strategic Planning and Capital Monitoring Panel held on 5 September 2016 were signed by the Chair as a correct record.

19. CAPITAL MONITORING REPORT – QUARTER 2 2016/17

Consideration was given to a report of the First Deputy (Performance and Finance)/Assistant Executive Director (Finance) summarising the capital monitoring position at 30 September 2016. The report showed projected capital investment of £56.556 million by March 2017. This was £12.655 million less than the current programmed spend. Re-phasing of £12.380 million into the next financial year was therefore proposed.

Details of the capital expenditure to date and projected outturn 2016/17 were shown by service area and Section 3 of the report referred to the most significant scheme variations.

Particular reference was also made to: compulsory purchase orders, indemnities and potential liabilities, the changes to the approved 3 year capital programme, capital receipts and prudential indicators and it was -

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 in regard to Compulsory Purchase Orders (CPOs) and Indemnities be noted;
(v) That the changes to the capital programme be approved;
(vi) That the capital receipts position is noted; and
(vii) The updated Prudential indicator position be approved.

20. EDUCATION CAPITAL PROGRAMME UPDATE

Consideration was given to a report of the Assistant Executive Director (Development, Growth and Investment) advising Members of the Panel on the latest position with the Council's Education Capital Programme 2016/17 and sought approval for various recommendations as set out in the report.

The report gave details of:
- Funding allocation;
- Basic Need Schemes progress update, including requests for additional funding allocations;
- School Condition and Capital Maintenance progress update, including request for funding amendments;
- Requests for scheme funding to be reduced on the Capital Programme;
- Procurement and value added; and
- Risk Management.

The report concluded that there had been significant capital investment in schools over the recent past to support the Council's delivery of its statutory responsibilities connected with the provision of sufficient and suitable places. The work identified would enable the Council to meet its statutory duties.

RESOLVED
That the following RECOMMENDATIONS be made to Executive Cabinet:
(i) The allocation of Basic Need grant funding schemes as outlined in Section 3 and Appendix 1 of the report;
(ii) The allocation of School Condition and Maintenance funding schemes as outlined in Section 4 and Appendix 2 of the report; and
(iii) The reduction of £100,000 of funding for schemes within the capital programme as outlined in Section 5 of the report.

21. CORPORATE ASSET MANAGEMENT UPDATE

Consideration was given to a report of the Assistant Executive Director, Development, Growth 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.

With regard to the disposal of assets, it was reported that the Asset Disposal process continued with a figure of £7,289,500 achieved in the last 11 months.

Planning, Public Consultations and Section 77 consultations were now underway on the 5 larger school sites and a process of active marketing was also on track. Work was underway on master planning the large site at Windsor Road in Denton and discussions around a potential disposal were ongoing.

It was reported that continued focus was being placed on future auctions with eight sites being submitted for December and work was ongoing for a number of sites to be potentially sold at future auctions.

Properties being actively marketed for sale or lease would be advertised on the Council's website, in addition to the marketing agents sites. Where potential disposals would impact on tenants, for example sale of garage or garden plots, which had become too expensive to administer, written notification would be given to tenants in advance for the proposed sale.

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 surplus space in Council owned properties, where this delivered value for money, to reduce the revenue cost of operating and occupying buildings.

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 September 2016 was £46,987.66. In addition there had been spend of £16,000 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.

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; and
(ii) That the allocation of £46,987.66 to undertake building condition replacement/repair projects as detailed in the report, be approved.

22. ENGINEERING CAPITAL PROGRAMME 2016/17

Consideration was given to a report of the Assistant Executive Director – Environmental Services, which gave comprehensive details of the total 2016/17 Engineering Capital programme for Environmental Services and identified the sources of funding for 2016/17 and 2017/18. This was set out in **Appendix 1** to the report. It complemented earlier reports to the Strategic Planning and Capital Monitoring Panel in July and September 2016, which set out details of the Highways Structural Maintenance Programme for 2016/17 from within the Engineering Maintenance Block Allocation and other capital schemes.

It was explained that in order to support the objectives and strategies at a local and regional level through the Tameside Sustainable Community Strategy, the Third Greater Manchester Local Transport Plan and national goals of economic regeneration and reduced carbon emissions, the proposed Capital Programme was divided into a number of headings based on the funding shown in **Appendix 2** to the report. This allocated proposed funding allocations to each heading, which included re-profiled budget from 2015/16 and outlined within the report as follows:

- Capital Minor Works Budget (Total £0.143m);
- Structural Maintenance (Bridges and Structures) (Total £0.953m);
- Structural Maintenance (Principal/Non Principal Roads) (Total £1.712m);
- Street Lighting (Total £0.149m);
- Other Works (total £9.477m); and
- Vision Tameside.

RESOLVED
That the following RECOMMENDATIONS be made to Executive Cabinet:
(i) That the total Engineering Capital Programme 2016/17, as set out in Appendix 1 to the report, be approved including any increases identified at paragraph 2.4 of the report.

23. DEVELOPER AGREEMENTS, CONTRIBUTIONS AND SECTION 106 AGREEMENTS

Consideration was given to a report of the Assistant Executive Director, Development, Growth and Investment, summarising the current position with regard to receipts received from Section 106 Agreements and Developer Contributions and made comments for each service area.

It was reported that the summary position as at the period 31 October 2016 for Section 106 Agreements totalled £352,000, with Developer Contributions totalling £276,000. The balance of unallocated section 106 funds and developer contributions were as follows:-

- Services for Children and Young People - £184,000 (s106) and £61,000 developer contributions;
- Community Services (Operations and Greenspace) - £136,000 (s106) and £201,000 developer contributions; and
- Engineering Services - £31,000 (s106) and £14,000 developer contributions.

A section 106 agreement had been signed for an application at Charlotte House, Albert Road, Hyde. The planning application comprised the demolition of Charlotte House and the construction of a new apartment block containing 16 two bed apartments. The development provided commuted sums to mitigate against the impact the proposal may have on off-site open space provision. The sum of £6,400 would go towards an enhanced play area surface at the park on Croft Street, Hyde.

A section 106 agreement had been drafted for an application at St Stephens Church, Bennett Street, Hyde. The planning application comprised the conversion of the existing church into 16 no. apartments and erection of 14 houses on land adjacent to the church. The development provided commuted sums to mitigate against the impact the proposal may have on education. The sum of £25,000 would go towards the development of the new Discovery Academy in Porlock Street, Hyde.

It was reported that the section 106 agreement proposed for an application at the former Conservative Club on Vernon Street, Ashton would not now apply due to the number of apartments approved for development.

The sum of £20,632.37 would go towards infrastructure improvements to King George's Park, Cedar Park and Smallshaw Fields to include new bins and benches, new play equipment and more sustainable planting. The sum of £16,482.24 would fund new and improved cycle and pedestrian links between Ashton and Queens Road/Palace road as part of the Ashton-Stalybridge circular route identified in Tameside Cycling Strategy Options report.

A section 106 agreement had been proposed for an application at 32 Denton Road, Audenshaw. The planning application comprised the demolition of existing gym and the construction of a new apartment block containing 13 two bed apartments. The development provided commuted sums to mitigate against the impact the proposal may have on off-site open space provision and highways.

The sum of £7,944.59 would assist the Council in providing footpath links to Shepley Wood to the east of the site.

The sum of £7,018.36 would fund highway safety improvements at the junction of Guide Lane, Shepley Lane and Denton Road, Audenshaw.

In respect of requests to draw down funding, Operations and Greenspace had requested a drawdown of £8,500; this was the remaining balance from the Morris Homes Development in Audenshaw S106 Agreement no. 05/00840/OUT. This funding would be used for Environmental Improvements in Audenshaw.

As previously reported to Strategic Capital Panel, it was explained that the Council continued to collect developer obligations for site specific mitigation via S106 agreements, smartly pooling tariff style contributions to avoid limits introduced by the Community Infrastructure Level (CIL) Regulations. The online calculator assists in generating a contribution tariff figure that was fair, reasonable and proportionate in its scale to a proposed development.

In November 2014, the government introduced a lower development threshold limit from which tariff style contributions should not be sought via a Written Ministerial Statement. The Government's decision to introduce such a threshold was challenged by a number of authorities, with the High Court ruling in their favour in July 2015. The Court of Appeal however had recently overturned this, with the effect of re-introducing the initial Government policy announcement.

It was noted therefore that current national policy directed that current national policy directed that tariff style contributions should not be sought from developments of 10 units or less, and which had a maximum combined gross floorspace of no more than 1,000 sqm.

Obligations requested by the Council were supported by the policy framework set out within the adopted Unitary Development Plan (specifically policies: H5-Greenspace, H6-Education and T13-Highways). In the case of policy H6, a minimum development limit of 25 or more dwellings already applied and therefore the above changes to national policy did not affect the Council's ability to request contributions toward this type of infrastructure.

It was further noted that national policy advised there may still be instances, even where the development threshold limits applied, that obligations may be required to make a site acceptable in planning terms.

The Panel were informed that in order 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 and brought to the attention of the Panel.

These processes and procedures were currently the subject of an internal audit. Although it was envisaged the outcome findings of the audit and appropriate responses would be in a shareable position, the audit remained ongoing, albeit in its latter stages.

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. Ultimately officers would welcome the outcome findings of the audit and share them with the Panel in due course in helping to further deliver a robust and effective process.

RESOLVED
That the following RECOMMENDATIONS be made to Executive Cabinet:
(i) That the content of the report be noted; and
(ii) That authority be given to release funds from the following available resources: Section 106 – Environmental Improvements in Audenshaw (£8,500).

24. STRATEGIC TRANSPORT REVIEW – COUNCIL FLEET VEHICLES – FLEET REPLACEMENT PROGRAMME 2017

Consideration was given to a report of the Assistant Executive Director – Environmental Services, which explained that the Council currently operated a varied fleet of 152 vehicles of varying types from vans to refuse vehicles to provide its numerous services to the residents of the Borough. It also operated a fleet of 134 items of plant equipment giving a total fleet size of 286 vehicle and plant.

Members were informed that a report for the essential replacement of 58 vehicle and plant had been approved by the Panel on 13 July 2015.

This report identified a further 129 vehicles and plant of various specifications that were now due replacement in 2017/18.

Following consultations with Service Unit Managers it had been determined that 64 of these 129 items were capable of remaining in service for a further 12 – 24 months.

Subsequently the report concentrated on the replacement of the remaining 65 items as being identified as being in need of essential replacement in order to continue the effective operation and delivery of services. The average age of replacement would be 8 years at 2017.

From these 65 items, 50 units would require funding via borrowing and 15 would be funded using Transport Services reserves set up for this purpose.

Of the 50 units requiring borrowing 9 were welfare buses, 8 of which currently on contract hire and had already had the contract extended by a further 12 months which was due to expire in May 2017.

It was now essential to the continued operation of services that the remaining 65 vehicles and plant were replaced.

The business case for the replacement of the vehicles and plant was detailed in the report and options were presented, which represented the best value way of meeting the Council's needs and achieving a variety of options of savings available, whilst maintaining the operational efficiency of services.

RESOLVED
That the following RECOMMENDATIONS be made to Executive Cabinet:

(i) That approval be given for the procurement of 65 vehicles and plant identified in the report via a competitive EU tendering process or approved frameworks and the necessary recommendation to Council to amend the Capital programme accordingly. All funding to be repaid by recharging service areas an annual rental to cover purchase, borrowing and maintenance costs covering the borrowing period of 8 years;

(ii) Based upon the results of the financial appraisal, that approval be granted for the purchase of the 65 vehicles and plant detailed in the main body of the report to be pursued by prudential borrowing and internal funding;

(iii) That an ongoing exercise be undertaken for the remaining fleet items in conjunction with its on-going review of services to ensure that the Council could call upon a fleet of vehicles to support the delivery of those identified services in the most effective manner; and

(iv) That when all capital and borrowing is repaid, rentals remain fixed to allow continued contribution to the Council's transport reserves to assist in future fleet replacement programmes.

Having declared a prejudicial interest, Councillor Taylor left the meeting during consideration of the following item and paid no part in the voting or decision thereon.

25. ACTIVE TAMESIDE – CAPITAL INVESTMENT PROGRAMME UPDATE

A report was submitted by the Assistant Executive Director, Development Growth and Investment providing a summary of progress to date with the delivery of the Council's capital investment programme into improving sports and leisure facilities in Tameside.

Individual elements of the programme were highlighted in the report as follows:

- Active Copley Heating Replacement (£0.369m)
- Active Copley Pitch Replacement (£0.177m)
- Active Medlock Roof Replacement (£0.120m)
- Active Hyde Wave Machine Replacement (£0.060m)
- Active Hyde Pool Extension (£2m)
- New Denton Wellness Centre (£14.7m)
- Active Dukinfield (ITRAIN) (£2.3m)
- Active Longdendale (Total Adrenaline) (£0.600m)

The Assistant Executive Director, Development Growth and Investment further informed Members of an amendment to the timescales reported for the New Denton Wellness Centre, which should read that the facility was due to complete in mid-2018.

RESOLVED
(i) That the content of the report be noted; and
(ii) That a further update on the progress of the individual elements detailed in the report be submitted to the next meeting of the Panel.

CHAIR