

<b>Report to:</b>	<b>STRATEGIC PLANNING AND CAPITAL MONITORING PANEL.</b>
<b>Date:</b>	22 September 2022
<b>Executive Member:</b>	Councillor Jacqueline North, First Deputy (Finance, Resources & Transformation)
<b>Reporting Officer:</b>	Gregg Stott – Assistant Director, Investment, Development & Housing
<b>Subject:</b>	<b>PLACE CAPITAL PROGRAMME (TOWN CENTRES, PROPERTY AND PLANNING)</b>
<b>Report Summary:</b>	This report provides an update on the delivery of Capital Projects in the Place Directorate in relation to Town Centres, Property and Planning.
<b>Recommendations:</b>	<p>That Strategic Planning and Capital Monitoring Panel:</p> <ul style="list-style-type: none"> <li>(i) Note the progress with regards to the schemes within the Place Capital Programme (Town Centres, Property and Planning) as set out in the report</li> <li>(ii) Approve that an order for Welsh slates (£150,000) be made via the LEP Additional Services Contract to be used on Stalybridge Civic Hall in advance of the build contract for the work being finalised due to the current 33 week lead time for delivery.</li> </ul>
<b>Corporate Plan:</b>	A number of the schemes presented in this report continue to support the objectives of the Corporate Plan.
<b>Policy Implications:</b>	<p>The Place Directorate Capital Programme contributes to the 5 focus themes of the Tameside Carbon Reduction and Environment Strategy 2021-2026, specifically:</p> <ul style="list-style-type: none"> <li>• The development of low carbon solutions in a number of schemes driving down consumption across the estate including the streamlining the corporate portfolio of buildings.</li> <li>• Supporting and facilitating sustainable travel options.</li> </ul>
<b>Financial Implications:</b>	<p><b>Ashton Town Centre Levelling Up Fund</b></p> <p>Sections 2.2 to 2.8 sets out details of the progress with this scheme with supporting details relating to Ashton Town Hall provided in table 1. All related expenditure will be managed within the confirmed grant award of £19,870,000.</p> <p><b>Stalybridge High Street Heritage Action Zone (HSHAZ)</b></p> <p>Set out in sections 2.9 to 2.13 of this report is the progress of the various elements of the scheme. The total value of the capital budget for the scheme is £3,689,000. The related cost of the slates as referenced in recommendation (ii) will be financed via this budget.</p> <p><b>Proposed Godley Green Garden Village</b></p> <p>Set out in sections 2.14 to 2.17 of this report are details of the progress of this scheme. The total value of the capital scheme is £12,844,000. A report to the Executive Cabinet on 22 June 2022</p>
<b>(Authorised by the statutory Section 151 Officer &amp; Chief Finance Officer)</b>	

was approved to commence the process for the identification of a partner or partners to deliver the Godley Green Vision; this process will play a critical element in establishing the Council's future role in Godley Green.

### **Hattersley Railway Station**

Sections 2.18 to 2.20 of this report sets out the progress of the scheme which is expected to be complete in 2022/23

### **Tameside One – Ceiling Voids**

Liaison with Tameside College to agree access arrangements for the remaining four floors of Tameside One have now been concluded. It has been agreed that two floors will be completed this summer between June and September with the remaining two floors completed in the summer of 2023 at which point the scheme will be concluded. The financial impact of the programme change has yet to be determined. In addition, the impact on the Council's insurance premiums and excess levels in the event of a claim are currently being established. Members will be updated within the November 2022 SPCMP report.

### **Land disposals**

Sections 2.23 to 2.25 of the report provides an update of land disposals. A critical source of funding required to finance the Council's capital programme is capital receipts from the sale or disposal of Council owned land and buildings. The existing approved capital programme requires a minimum of £15,410,000 of capital receipts which is based on the disposal of surplus assets approved by the Executive Cabinet on 30 September 2020.

### **Decarbonisation of the Public Estate**

The first phase is concluded (deadline 30 June) and the Council has secured further funding to assist in delivering an additional phase containing six buildings – two schools, two sports facilities and two corporate buildings. Details of this next phase is set out in sections 2.26 – 2.33 of this report.

### **Resources available to fund the Capital Programme**

The Council has limited resources available to fund Capital Expenditure and the current capital programme, which is based upon receiving capital receipts of £15,410,000, is fully allocated to Council priorities. Careful monitoring of progress in realising these capital receipts must be undertaken throughout the year to ensure that there is timely and pro-active disposal of assets and that the actual receipts are in line with projections.

The Council's capital programme will be reviewed and updated during 2022/23 in order to ensure that all approved schemes are still required and to include those schemes that are fully funded from external sources.

Any additional priority schemes that are put forward for consideration and that are not fully grant funded will need to be evaluated, costed and subject to separate Member approval. There will be a revenue cost for any new capital schemes that are not fully funded from alternative sources and the implications of this will need to be carefully considered, given the on-going pressures on the revenue budget.

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

This report is intended to provide the Panel with an overview of the capital works to provide Members with an opportunity to review the progress being made particularly in terms of timescales, value for money and delivery of capital receipts.

Members should note that the figures included in the disposals programme are indicative only as each sale as it comes forward to the market will be subject to a Redbook valuation as part of the due diligence to ensure that the council is achieving best market value for the asset as required by section 123 of the Local Government Act 1972

The report is not seeking decisions in relation to the individual projects as these are and will continue to be governed by their own due diligence, governance and decision making especially those projects which are subject to grant funding to ensure that any conditions attached to that funding such as milestones, match funding and parameters for the spend are adhered to.

**Access to Information:**

The background papers relating to this report can be inspected by contacting the Report Writer, Mike Reed by:



Telephone: 07974111756



E-mail: [mike.reed@tameside.gov.uk](mailto:mike.reed@tameside.gov.uk)

## 1. INTRODUCTION

- 1.1 This report provides an update on the delivery of the Place Capital Programme managed by the Departments of Strategic Property, Investment, Development and Housing, and Planning and Place Making.

## 2. APPROVED CAPITAL PROJECTS

### **Recently Completed Schemes**

- 2.1 The following capital projects have reached practical completion and are currently in their 12 month defects liability period where applicable - Ashton Old Baths Annexe, Hyde Pool Extension, Droylsden Library relocation, Two Trees demolition and Denton Baths demolition. The position for each scheme is as previously reported. Further updates will be presented to the next SPCMP in November.

### **Current Schemes: Town Centres**

#### ***Ashton Town Centre***

- 2.2 The Council is continuing to deliver the £19,870,000 Ashton Town Centre LUF programme in the context of an emerging wider strategic vision for Ashton Town Centre following the decision by Executive Cabinet on 24 November 2021. Payments of the grant from the Department for Levelling Up, Housing and Communities (DLUHC) totalling £45,618 have now been drawn down by the Council for the periods Q4 2021/22 and Q1 2022/23 to fund the professional fees required to support delivery.
- 2.3 The Council is currently finalising the acquisition of the former interchange site from Transport for Greater Manchester that will be the subject of a separate report to Executive Cabinet later in 2022. Following acquisition the Council will commence enabling infrastructure works to unlock the site for future redevelopment. This work will be undertaken in the context of longer term opportunities for comprehensive development which is the subject of ongoing discussions with the owners of the Arcades and Ladysmith Shopping Centres.
- 2.4 Work has commenced on the preparation of options for the improvement of the Market Square, and a Town Centre Public Realm Vision Strategy. The Council is currently finalising material for public consultation on the Public Realm Vision Strategy due to commence in September 2022.
- 2.5 Previous reports have provided details of the plans to deliver the next phase of the public realm works within the Northern Core and across Wellington Road in order to connect Clarendon College with Tameside One. The procurement process for purchasing materials is now being progressed, as a key priority by the Council and STaR Procurement. Whilst uncertainty remains nationally regarding cost, availability and delivery of construction materials it is anticipated that works can start on site before the end of 2022.
- 2.6 A draft business case has been prepared for the Mayors Challenge Fund (MCF) scheme known as Ashton Streetscape on Albion Way and Wellington Road. The business case has been reviewed by TfGM and work is ongoing to finalise the proposals to complement the wider Town Centre plans and Public Realm Vision Strategy.
- 2.7 Work is continuing to support the restoration of Ashton Town Hall in following three phases:
- Roof strengthening
  - Envelope restoration and
  - The development of plans to RIBA Stage 2 for the buildings internal restoration to support extensive consultation and future funding bids.

- 2.8 Listed Building Consent was granted on 18 August 2022 to enable the required intrusive surveys and roof strengthening works to progress. The programme for the next stages of work at Ashton Town Hall is set out in **Table 1** below.

**Table 1**

Item	Start	End
Structural survey enabling works	September 2022	November 2022
Design and procurement of roof structural works	November 2022	April 2023
Roof structural strengthening works	May 2023	November 2023
Listed Building Consent Application / Design and procurement of main envelope repair works	March 2022	November 2023
Main envelope repair works	November 2023	February 2025
Levelling up Fund spend deadline	March 2025	March 2025

***Stalybridge Town Centre***

- 2.9 Work is complete on the Civic Hall Feasibility and Market Street Studies (budget £100,000 and £140,000 respectively) funded via the Stalybridge High Street Heritage Action Zone (HSHAZ) grant from Historic England and Council match. The spend profile for the Shop Front Grant scheme has been reallocated to 2022/23 and 2023/24. There is a total budget of £335,840 for this match funded by the Council and Historic England. The Council continues to engage with property owners on Market Street in relation to the scheme and Historic England have now agreed to extend the eligible area to include the row of properties immediately opposite the Civic Hall (the old fish market) to increase the potential impact.
- 2.10 Formal confirmation has now been received from Historic England that the design of the Heritage Walk scheme on Market Street and materials to be used are acceptable; the project has now progressed to the delivery stage. The procurement of materials for scheme delivery (carriageway tegular paving, footway paving and kerb edging and any other materials required) are being sourced via the LEP Additional Services Contract; with materials called off as required in line with the delivery programme up to an approved order value of £609,828. There is a further £494,332 within the capital programme to spend on the delivery and installation of the work, which is expected between October 2022 and March 2023. The works are currently costed within the budget allocation. The consultation exercise required for the variation of Traffic Regulation Orders (TROs) closed on 2 September 2022 with no formal objections received.
- 2.11 The work on the restoration of the roof at Stalybridge Civic Hall has been re-programmed to early 2023 to allow for the full use of the Civic Hall for events linked to the Town of Culture 2022. At this point the financial impact on the delay has yet to be determined. Discussions are ongoing with Historic England and the LEP to ensure that the re-programming of the scheme does not have a negative impact on the scheme, the Council's Capital Programme or the funds provided by Historic England. However, given the rising cost of construction inflation and specific requests made by Historic England then it is inevitable that costs will increase above the available budget. In order to mitigate the impact on the Council's Capital Programme the Council has sought a contribution to the Civic Hall scheme of £1,000,000 from the Stalybridge Levelling Up Fund 2 (LUF2) bid. The results of LUF2 are anticipated in Autumn 2022; the Council will continue to explore alternative external funding opportunities should the LUF2 bid be unsuccessful.
- 2.12 The roof restoration is part funded via the HSHAZ scheme with the Historic England contribution totalling £283,950. The total Historic England contribution was drawn down in 2021/22 for the planning and design phase of the works. The build contract will be funded via the remaining HSHAZ Council match funding and the additional Council funding approved at Executive Cabinet on 28 July 2021.

2.13 The Civic Hall roof is constructed with Welsh slate and many of these are now damaged beyond re-use. Whilst the exact specification and scope of the roof materials is still to be finalised, any work done to the roof will require additional Welsh slate to match to replace those identified as being in need of replacement. Due to exceptional demand at the present time the Welsh slates needed are currently on a minimum of 33 week lead time for delivery. Therefore, approval is sought to place an order for Welsh slates, at a cost of up to £150,000 via the LEP Additional Services Contract in advance of the build contract for the work being finalised. By utilising the available budget to place an order for these materials now they will be available for when needed and any further cost increases can be mitigated. Due to the need for these materials across the wider Council estate it is considered that should there be any oversupply these can be utilised for other Council owned assets.

### **Current Schemes: Strategic Sites**

#### ***Proposed Godley Green Garden Village***

2.14 The proposed Garden Village at Godley Green is the key strategic site for residential development in Tameside. There is no further update at this stage on the remaining £9,280,000.

2.15 A cost plan outlining the spending of the remaining £9,280,000 grant has been developed by the Project team. This has been agreed with Homes England through the Client Relationship Manager process. An Outline Planning Application was validated by the Local Planning Authority (LPA) in November 2021. As above, delivery of the scheme will commence should planning consent be approved by the LPA.

2.16 The Council continues to engage with landowners in order to seek to acquire control of the land via Option Agreements. Two land Option Agreements, whereby an interest in land is secured by the Council have been completed and the Council is now going through the final legal documentation stage with three further landowners.

2.17 Between December 2021 and March 2022 a Soft Market Engagement (SME) exercise was carried out in order to understand the development market's view of the project and to get commercial feedback to inform the Council's ongoing role in the project and preferred delivery model. As a result of the responses to the SME, greater clarity and focus has been provided by the market on how Godley Green is perceived as a development opportunity.

2.18 A report to the Executive Cabinet on 22 June 2022 was approved to commence the process for the identification of a partner or partners to deliver the Godley Green Vision, which is now underway; this process will play a critical element in establishing the Council's future role in Godley Green. This process is being supported by both STaR and the Council's legal advisors (DACB Beachcroft) to identify the appropriate delivery vehicle for Godley Green via the most effective, and compliant procurement route. This process continues and further update will be provided at SPCMP in November 2022.

#### ***Hattersley Station Passenger Facilities***

2.19 Delivery of the project to provide a refurbished and extended ticket office at Hattersley Railway Station is ongoing. Preliminary work began in January 2022 with the main construction works beginning at the end of March 2022.

2.20 The scheme has a total budget of £750,000, and spend on the scheme at Q2 2022/23 has been £461,141.34 with the remainder due to be spent in Q3 2022/23.

2.21 The external walls of the station and the steel work for the roof are now complete. The roof works commenced 29 August 2022. The external cladding and glazing are scheduled to be completed in September 2022 and once the building is watertight the internal works will be undertaken. There is a requirement for Electricity North West to provide utilities connection

and this cannot take place until 26 October. The current expected completion date is the start of November 2022. Further updates will be presented to the next SPCMP in November 2022.

### **Current Schemes: Property**

#### ***Tameside One – Ceiling Voids***

- 2.22 The Tameside One Voids scheme is as previously reported. Two floors in the college section of the building have been completed this summer with the remaining two floors to be completed during the summer of 2023. A further update will be provided at the next SPCMP in November 2022.

#### ***Land Disposals***

- 2.23 In terms of progress at the date of this report, a cumulative total of £623,000 has been achieved through completed sales.
- 2.24 A second batch of surplus sites was approved by Executive Cabinet on 29 September 2021 following consultation with the Executive Cabinet Member initially, with further consultation completed with Ward Councillors as set out in the Disposal Policy. A report seeking to declare a third batch of assets surplus was approved by Executive Cabinet on 22 June 2022. A 'batch 4' report has been prepared and it is currently envisaged that this report would be considered by Executive Cabinet in October 2022. In terms of overall progress since the Council approved the new Disposal Policy on 30<sup>th</sup> September 2020 – 42 assets have been declared surplus and are being progressed with a further 19 assets included in the forthcoming Batch 4 report.
- 2.25 There is an ongoing asset rationalisation exercise across the operational and non-operational estate which will ensure there is a pipeline of disposals in the medium term. By way of an indication of scale, the initial mapping exercise identified that the Council's ownership extends to circa 3,000 legal titles. From this a shortlist of 700 assets were identified for further review for potential disposal. As such, it is expected that reports continuing to declare batches of assets surplus would continue throughout 2023.

#### ***Decarbonisation of the Public Estate***

- 2.26 The The GMCA consortium bid to the Decarbonisation of the Public Estate Fund (phase one – which began in April 2021) was successful, resulting in grant award of £78,300,000. On the 14 April 2021 an Executive Decision Notice was signed to give permission to enter into a contract with GMCA to allow the drawdown of the funds. The draw down arrangement works on a monthly basis in arrears on provision of necessary financial information to GMCA. The Council's initial allocation of this grant was £2,283,604, with further funding being requested to install additional measures from an underspend across the wider GMCA pot. The total additional measures took the total net amount for PSDS1 grant to £2,415,978.
- 2.27 Building fabric and mechanical and electrical interventions across fourteen buildings are predicted to save approximately 6000 tonnes of CO2 over the lifecycle of the projects.
- 2.28 This phase of the programme is now complete and all claims have been made and measures installed. The works were completed (practical completion) on 30 June 2022, within the expected timeframe.
- 2.29 Tameside's successful bid for further funding for phase three (few authorities were in a position to bid for phase two – Tameside being no exception) of the Public Sector Decarbonisation Scheme was confirmed in early 2022.
- 2.30 Phase three contains six sites; two schools, two leisure centres and two corporate sites. The funding model is not 100% grant this time and match funding had to be sought to ensure progress. Sites have been identified where heating plant and associated equipment is at the end of its viable life.

- 2.31 After adjustment from GMCA in late February, the overarching cost of the works is now projected at £2,971,810 (due to a slight reduction of £19,000 for the St John's School project). The grant the Council is eligible to apply for now totals £1,918,260 (64% of the total programme cost). Leaving a sum of £1,053,550 (36%) that the Council has agreed to contribute.
- 2.32 To date; detailed designs have been issued across all sites. ASHP's will need planning approval across all sites and ASHP / secondary glazing will need approval at a grade II listed property (Stalybridge Civic). Tenders have been sent out for all 6 sites for all measures except Solar PV (awaiting structural Surveys). Asbestos surveys have all been completed with only Stalyhill Juniors requiring removal - this was completed 23 August 2022. Solar PV designs are to be completed over the coming weeks. Tenders will then be evaluated for all sites. Revenue savings were calculated at £912,560 over the twenty-year lifecycle of the programme – a full review will be undertaken upon receipt of tender returns to ensure the projects are still viable as energy prices and materials costs have been affected by the ongoing war on the Ukraine.
- 2.33 The amount of carbon proposed to be eliminated is calculated to be 6,802 tonnes CO2e – again over the twenty year projected lifecycle.

### 3. RISK MANAGEMENT

- 3.1 **Table 2** below provides a summary of the high risks associated with the delivery of the Place Capital Programme. The table also provides a summary of mitigating actions in order to minimise risk.

**Table 2**

<b>RISKS</b>	<b>MITIGATING ACTIONS</b>
1. Failure to implement the proposed Capital programme will prevent the appropriate allocation of resources by the Authority.	A robust programme of works will be developed to ensure that the objectives underpinning the Department for Transport and other funding allocations will be met and at the same time meet the objectives contained in Tameside's Community Strategy.
2. Inclement weather preventing commencement and completion of schemes.	A comprehensive and realistic programme of works will be agreed between partners to ensure completion by approved dates. However, should the programme not be achieved it may be necessary to arrange for any outstanding financial resources to be transferred into the following financial year.
3. Due to inflation and supply chain pressures there is currently no certainty on the delivery timescales and availability of materials.	Procurement processes will start earlier than normal and the situation will be kept under review and delivery programmes adjusted if necessary. Whilst the Council's Operational Services and external contractors have access to many material suppliers, shortages of materials or delays in delivery may necessitate alternatives to be sourced or approval will be sought to carry forward the project into the following year.
4. Statutory procedures linked to certain schemes could delay implementation.	Should it be necessary approval will be sought to carry over the project into the following year for completion.
5. Failure to deliver projects funded by external grants will impact on the future success of bids.	External consultancy support being commissioned, with support from STaR, to increase design and business case capacity thereby helping to accelerate the development and delivery of projects.

### 4. RECOMMENDATIONS

- 4.1 As set out at the front of this report