

Report to:	STRATEGIC PLANNING AND CAPITAL MONITORING PANEL
Date:	17 November 2022
Reporting Officer:	Julian Jackson – Director of Place Gregg Stott – Assistant Director, Investment, Development & Housing
Subject:	PLACE CAPITAL PROGRAMME (TOWN CENTRES, PROPERTY AND PLANNING)
Report Summary:	This report provides an update on the delivery of Capital Projects in the Place Directorate in relation to Town Centres, Property and Planning.
Recommendations:	That Strategic Planning and Capital Monitoring Panel note the progress with regards to the schemes within the Place Capital Programme (Town Centres, Property and Planning) as set out in the report.
Corporate Plan:	A number of the schemes presented in this report continue to support the objectives of the Corporate Plan.
Policy Implications:	The Place Directorate Capital Programme contributes to the 5 focus themes of the Tameside Carbon Reduction and Environment Strategy 2021-2026, specifically: <ul style="list-style-type: none"> • 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. • Supporting and facilitating sustainable travel options.
Financial Implications: (Authorised by the statutory Section 151 Officer)	<p><u>Ashton levelling up fund</u></p> <p>At period 6 financial monitoring there was an underspend of £4,411,000 to 2022/23 budget. The service is looking to re-phase the scheme and increase the 2023/24 budget to include the current year underspend. This was reported in the Period 6 Financial Monitoring narrative.</p> <p><u>Property – Tameside One Voids</u></p> <p>The impact on the Council’s insurance premiums and excess levels in the event of a claim are yet to be established. The financial impact and funding arrangements for the final two floors of the scheme are yet to be determined. Members will be updated within the March 2023 SPCMP report.</p> <p><u>Stalybridge Civic Hall</u></p> <p>Section 2.8 refers to an increase in cost of £306,000 which cannot be funded by the current capital budget. External funding is being sourced but not yet confirmed. Members will be updated by a report to Executive Cabinet in December 2022.</p> <p><u>Hattersley Station</u></p> <p>Section 2.15 refers to an additional estimated spend of £27,000. As the scheme is due to conclude in December 2022, final costs will be</p>

confirmed to Members in the March 2023 SPCMP report, along with confirmation of how the additional costs will be funded.

Decarbonisation of the Public Estate – PSDS 3a

It should be noted that since Period 6 financial monitoring, Clarence Arcade has been removed from the decarbonisation scheme resulting in a reduction in overall cost and grant claimable as detailed in sections 2.25 – 2.26.

Section 106 Agreements and Developer Contributions

The Section 106 agreements must be spent within a specified deadline and for the purpose that the contribution was provided. An analysis of the S106 and developer contributions currently held by the Council are provided in **Appendix 3**.

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 provides Members with a general overview of the place capital programme and the opportunity to ask questions and seek clarification on progress and budget management.

The report is not seeking any decisions on the individual projects as each project is subject to its own due diligence, governance and decision making.

Risk Management:

The approach to risk management is set out at Section 3.

Access to Information:

The background papers relating to this report can be inspected by contacting the Report Writers, Mike Reed and Chris Fairbrother by:

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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

Current Schemes: Town Centres

Ashton Town Centre

- 2.1 As previously reported a total budget of £19,870,000 is identified in the Capital Programme for the delivery of the Ashton Town Centre Levelling Up Fund.

Ashton Town Hall

- 2.2 Work commenced on the first stage of physical works at Ashton Town Hall in October 2022 including the taking down of a number of internal ceilings and removing “stud” walls to fully expose the structural fabric of the building and hidden architectural features. This partial internal strip-out will facilitate the completion of detailed surveys required to fully inform the ongoing design process for the restoration of the building envelope, including the roof and internal layout. These works are programmed to continue until November 2023, following which the external envelope restoration works will be commenced.

Ashton Public Realm

- 2.3 Work has been finalised on the preparation of a preferred option for the improvement of the Market Square. The public consultation on the preferred option commenced on 7 November 2022 for a period of four weeks.

Former Interchange Site

- 2.4 The Council is currently finalising the acquisition of this site from Transport for Greater Manchester (TfGM) that will be the subject of a separate report to Executive Cabinet later in 2022. Following acquisition the Council will be able to commence enabling infrastructure works, comprising land remediation and service diversions, to unlock the site for new uses. This work will be undertaken in the context of longer term opportunities for redevelopment, public realm and movement within the Town Centre.

Stalybridge Town Centre

Heritage Walk

- 2.5 Heritage Walk – improvements to pedestrian routes from the train station along Market Street to the cultural quarter. The Heritage Walk scheme to deliver improvements to pedestrian routes from the train station along Market Street to the cultural quarter has been designed by the Councils Engineers to reflect the current situation with regards to availability and cost of materials, achieve best value and secure maximum benefit for the wider HSHAZ and Stalybridge. All required permissions, including the relevant Traffic Regulation Orders (TROs) are now in place, and delivery of the public realm capital works will commence in October 2022 with practical completion in March 2023.

Shopfront Grant Scheme

- 2.6 Detailed discussions are underway with four properties on Market Street eligible for the shop front grants scheme, with one property currently seeking final quotes for work to their frontage. The repair work to shop frontages is intended to start by January 2023.

Stalybridge Civic Hall

- 2.7 The scheme was re-programmed to early 2023 to allow for the full use of the Civic Hall for events linked to the Town of Culture 2022. Listed Building Consent has been achieved for the

main roof works and, subject to a decision on when to proceed, works could start at the end of February 2023.

- 2.8 A re-costing of the works was completed in June 2022, with an inflation uplift to January 2023 which identified a remaining shortfall of £306,000 to undertake the roof works; above the remaining HSHAZ Council match funding and the additional Council funding approved at Executive Cabinet on 28 July 2021. This informed the £1,000,000 sought for the Civic Hall via the Levelling Up Fund (LUF2) bid to meet the remaining funding gap in relation to the roof works and support further works to the building to deliver long terms sustainable use of the building as part of the Stalybridge Cultural Quarter. Given the uncertainty around the LUF2 bid and the importance of delivering the Civic Hall scheme to our plans for Stalybridge the Council has now sought £320,000 of capital funding from the UK Shared Prosperity Fund (UKSPF) under the Communities and Place strand to enable the roof works to be progressed. A comprehensive report on Stalybridge Civic Hall is being prepared in readiness for members to consider at Executive Cabinet in January 2023.

Current Schemes: Strategic Sites

Proposed Godley Green Garden Village

- 2.9 The proposed Garden Village at Godley Green is the key strategic site for residential development in Tameside.
- 2.10 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. The project team has responded to all outstanding objections to the planning application. A revised application and refreshed Environmental Statement was re-submitted to the Local Planning Authority on 5 November 2022. As above, delivery of the scheme will commence should planning consent be approved by the Local Planning Authority. The updated Outline Planning Application will be considered at a Planning Committee on 21 December 2022.
- 2.11 The Council continues to engage with landowners in order to seek to acquire control of the land via Option Agreements. Five land Option Agreements, whereby an interest in land is secured by the Council have been completed.
- 2.12 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. The full suite of procurement documentation is currently being prepared by the Project Team. This process continues and further update will be provided at the next SPCMP meeting in March 2023.

Hattersley Station Passenger Facilities

- 2.13 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.
- 2.14 The external walls of the station and the roof works are now complete. The external cladding and glazing works are now underway and are due to be completed in October 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.

2.15 The scheme has a total budget of £750,000, and spend on the scheme at Q2 2022/23 was £461,140. The remaining funding of £288,860 is due to be spent in Q3 2022/23. Unfortunately, the scheme is experiencing delays due to extended delivery periods for some materials being used on the project. In addition, the costs of the materials are increasing due to the effects of rising inflation and the scheme at present has an estimated overspend of £27,000. The Council is working closely with Northern Trains and Network Rail on mitigations to reduce this estimated overspend as there are no additional resources to finance this additional estimated expenditure.

Current Schemes: Property

Land Disposals

Progress since 22 September 2022	Current Issues	Value for Money	Capital Receipts Achieved
<ul style="list-style-type: none"> • A fourth batch comprising 16 potential surplus assets has been identified to be reported to Executive Cabinet for approval. • Work ongoing towards producing Batch 5 	<ul style="list-style-type: none"> • Report due to be presented to Executive Cabinet in due course to declare a fourth batch of surplus assets. 	<ul style="list-style-type: none"> • All disposals seek to achieve the best consideration that can reasonably be obtained pursuant to S.123 of the Local Government Act 1972. All disposals are undertaken in accordance with the Council's Disposal Policy approved by Executive Cabinet on 30 September 2020. 	<ul style="list-style-type: none"> • £623,000

2.16 In terms of progress at the date of this report, a cumulative total of £623,000 has been achieved through completed sales.

2.17 In terms of overall progress since the Council approved the new Disposal Policy on 30 September 2020 – 52 assets have been declared surplus and are being actively progressed with a further 19 assets included in the forthcoming Batch 4 report. Progress with each asset is included in **Appendix 2**.

2.18 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.

Tameside One Voids

2.19 Two floors, in the area operated by Tameside College, have been completed this summer. Access to the college area has also been agreed in order to complete the final two floors during the summer break in 2023 at which point the scheme will be concluded. The financial impact of the programme change was expected in October but the scheme is too early to accurately price given the volatility in the market. Therefore a financial update will be provided to members at the next SPCMP meeting, planned for the 20 March 2023.

Decarbonisation of the Public Estate – PSDS 3a

- 2.20 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.
- 2.21 Six sites were initially put forward for phase 3 of the scheme; 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 were identified where heating plant and associated equipment is at the end of its viable life.
- 2.22 A review of the future operational requirements of Clarence Arcade is underway and its future as a Council asset is uncertain. Due to these uncertainties this building has been removed out of the PSDS 3 scheme. Design costs of approx. £37,000 have already been incurred on Clarence Arcade and these are required to be picked up via the Council match funding allocated for this site.
- 2.23 Due to the complex nature of the other works being undertaken at Stalybridge Civic via other funding schemes (Roof / Historic England). Further analysis of the programme of works is required to determine whether the decarbonisation grant can still be delivered under this round of funding within the agreed timescale of funding spent by end March 2023. A comprehensive report on Stalybridge Civic Hall is being prepared in readiness for members to consider at Executive Cabinet on 14 December 2022.
- 2.24 After adjustment from GMCA in late February, the overarching cost of the works was projected at £2,971,810. The grant the Council is eligible to apply for totalled £1,918,260. Leaving a sum of £1,053,550 that the Council agreed to contribute.
- 2.25 Following removal of Clarence Arcade from the scheme the revised costings are currently projected at an overarching project value of £2,179,878. The grant the Council is eligible to apply for now totals circa £1,358,276. Leaving a sum of £858,602 that the Council will contribute.

3. SECTION 106 AGREEMENTS AND DEVELOPER CONTRIBUTIONS

- 3.1 This section of the report summarises the financial receipts for section 106 agreements and developer contributions.
- 3.2 The opening 2022/23 position for s106 agreements is £2,372,000 in credit. A further £389,000 has been received in year. Total allocations approved are £686,000 leaving a balance available of £2,075,000 as detailed in **Appendix 3**.
- 3.3 The position for Developer Contributions as at 1 April 2022 was £29,000 in credit also detailed in **Appendix 3**. No further contributions have been received in 2022/23

4. RISK MANAGEMENT

- 4.1 **Table 1** 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 1

RISKS	MITIGATING ACTIONS
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.

5. RECOMMENDATIONS

5.1 As set out at the front of this report