

<b>Report to:</b>	<b>BOARD</b>
<b>Date:</b>	9 March 2023
<b>Reporting Officer:</b>	Julian Jackson – Director of Place
<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>	<ul style="list-style-type: none"> <li>(i) 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</li> <li>(ii) That Strategic Planning and Capital Monitoring Panel recommend to Executive Cabinet the allocation of £31,000 to the capital programme to finance the additional expenditure at Hyde Pool as stated in section 2.34. The funding to be allocated via the cumulative underspend of £207,000 against schemes detailed in table 2 (section 2.32),</li> <li>(iii) That Strategic Planning and Capital Monitoring Panel recommend to Executive Cabinet the allocation of up to £30,000 to the capital programme to finance the additional expenditure at Hattersley Station as stated in sections 2.21 and 2.22. The sum to be allocated via funding held in Council reserves on behalf of the Land Board and is subject to a separate Council decision.</li> <li>(iv) That Strategic Planning and Capital Monitoring Panel recommend to Executive Cabinet the allocation of up to £7,500 to the capital programme to finance expenditure relating to the relocation of the Mottram show as stated in section 2.18. This sum to be resourced via the earmarked capital programme budget of £103,000 that is allocated to the Mottram showground.</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> <b>(Authorised by the statutory Section 151 Officer &amp; Chief Finance Officer)</b>	<p>This is an update report on progress with the delivery of Capital Schemes within the Place Directorate.</p> <p><b>Ashton Town Centre</b> Forecast expenditure in relation to the delivery of public realm works for Ashton Town Centre has been re-profiled whilst consultation</p>

findings and recommendations for proposed next steps are subject of a report due to Executive Cabinet in 2023, following which the detailed design works will be completed. The detailed design will need to be worked up within the existing funding envelope.

Forecast expenditure in relation to the former bus station site has also been re-profiled while the Council finalises the acquisition of this site from Transport for Greater Manchester (TfGM), and will be subject to a separate report to Executive Cabinet in 2023.

### **Stalybridge Town Centre**

The Council has been successful in a bid to secure £320,000 of capital funding from the UK Shared Prosperity Fund (UKSPF) under the Communities and Place strand to enable the Stalybridge Civic Hall roof works to be progressed. A decision on when to proceed is now required and a comprehensive report on Stalybridge Civic Hall has been prepared for Members to consider at Executive Cabinet.

There is a forecast underspend on the Shopfront Grant Scheme of £230,000 (comprising 50% Historic England and 50% Council match funding).

### **Godley Green Garden Village**

It is proposed that a budget previously approved for securing option agreements is repurposed to support critical workstreams required to conclude the planning process. This budget repurposing is subject to a separate decision.

### **Mottram show relocation**

The relocation of the Mottram show relocation, approval will be required for a payment of up to £7,500 to be made towards the cost of new containers which are required to store the property of the society between shows, e.g. fencing etc. It is proposed that this sum is resourced via the earmarked capital programme budget of £103,000 that is allocated to the Mottram showground.

### **Hattersley Station Passenger Facilities**

The scheme has an estimated overspend of up to £30,000 on final completion as a result of impact of inflation on the cost of materials, and delays due to extended delivery periods. A report was presented to the Hattersley Land Board on 30 November 2022 requesting the additional budget of up to £30,000 via funding held in Council reserves on behalf of the Land Board. The approval is subject to a separate Council decision and will enable completion of the scheme at no additional cost to the Council.

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

The terms of the grant agreement require that all grant funded elements of this scheme are expended by 31 March 2023.

Section 2.30 of the report references the removal of two previously approved schemes at Clarence Arcade (and Stalybridge Civic Hall).

The Council match funding for the four remaining schemes will subsequently reduce to £692,850 resulting in an estimated saving of £83,680 to the Council's contribution towards the remaining schemes.

### **Other Schemes**

Table 2 provides a summary of scheme underspends totalling £207,000 on previously completed schemes which have reached the end of the defect liability period. It is proposed that additional

costs of £31,000 relating to the final retention payment on Hyde Pool are funded from these underspends.

### **Section 106 agreements and developer contributions**

Appendix 2 provides a summary of available balances not yet earmarked for schemes. These balances must be spent within a specified time period and for the purpose that the contribution was provided.

### **Capital Receipts from property disposals**

Although the majority of the Capital programme is funded from external sources, the current programme assumes funding of up to £15m from capital receipts. The Council needs to be reassured that there is timely and pro-active disposal of assets approved for disposals, and that the actual receipts are in line with projections. The Disposals Programme is considered and monitored by Asset Management Panel.

Given the ongoing pressures on the revenue budget, the Council is not considering any new capital schemes at the moment, unless they are fully grant funded or supported by a robust and affordable business case which has been 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 significant 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 4.

#### **Background Information:**

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



Telephone: [07974111756](tel:07974111756)



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



Telephone: [07510383741](tel:07510383741)



E-mail: [chris.fairbrother@tameside.gov.uk](mailto:chris.fairbrother@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

### **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 Approval to establish an envelope restoration scheme, including roof strengthening, was granted by Executive Cabinet in December 2019. The repair and restoration of the Ashton Town Hall envelope, in advance of an internal refurbishment and remodelling is ongoing.

- 2.3 The internal restoration of Ashton Town Hall is a significant development requiring a period of extensive consultation with members, stakeholders, the general public and Historic England. During phase 1 an indicative layout for the building will be developed in order to support consultation and future funding bids. Options for the productive and financial sustainable use of the Town Hall have been developed from a study by AMION commissioned by the Council in October 2020 which undertook an analysis of the Town Hall and the potential for its redevelopment. A comprehensive update on the potential future uses of Ashton Town Hall is being developed for members to consider.

#### *Ashton Public Realm*

- 2.4 Public consultation was undertaken on a proposed option for the improvement of the Market Square between 7 November 2022 and 5 December 2022. The consultation findings and recommendations for proposed next steps will be the subject of a full report to Executive Cabinet in March 2023.

- 2.5 The delivery of public realm works to create a pedestrian area, linking the Tameside One building and Town Hall to Clarendon College and provide enhanced footways along Wellington Road and Harley Street started in February 2023. In addition, soft landscaping and seating will be introduced to the area providing an attractive gateway into the town centre. The work will be completed by the end of 2023 at an estimated cost of £700,000. A communication and engagement plan has been produced to ensure that key stakeholders and members of the public are kept up to date on the delivery of the works. Progress will continue to be reported to SPCMP.

#### *Former Interchange Site*

- 2.6 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 in 2023. 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*

- 2.7 The Heritage Walk will deliver improvements to pedestrian routes from the train station along Market Street to the cultural quarter, including widening of footways and narrowing of the

carriageway to reduce vehicle speeds. The work on the Heritage Walk scheme commenced in November 2022 and is being delivered in three stages. The first stage of the programme works for the replaying of the northern footway completed in mid-February 2023. Due to a delay in the supply of materials required for stage two caused by factors outside the control of the Council it has been necessary to pause work on site until April 2023 when they are available. The whole scheme is due for practical completion in summer 2023.

*Shopfront Grant Scheme, Market Street*

- 2.8 A grant agreement is being finalised with one property on Market Street for the shop front grant scheme, with work on the property to the value of c £50,000 intended to be undertaken in March 2023. Work is also underway on a Shop Front Design Guide to support and guide future developments in the town centre and follow on from the Market Street Studies already completed as part of this project.
- 2.9 The original HAZ programme in 2019 identified ten properties to Historic England. In order to create a cluster and provide the most impact on Market Street the bid concentrated activity on vacant buildings. Eight of the original properties have had work completed of their own accord before the HSHAZ scheme was underway and are now occupied. Only two of the ten properties originally identified remain vacant with absentee landlords who have not engaged with the project despite the efforts of the Council.
- 2.10 For the reasons outlined above it is likely there will be an estimated underspend of £230,000 (comprising 50% Historic England and 50% Council match funding) on the shop front grant scheme. . Whilst this will result in a loss of the Historic England grant funding of circa £115,000 it will generate an overall saving to the Councils equivalent match funding of £115,000 that was allocated for the scheme.

<b>MARKET STREET</b>	Grant	TMBC	Total
	£'000	£'000	£'000
AVAILABLE FUNDING	238	238	476
FORECAST SPEND	123	123	246
FORECAST UNDERSPEND	115	115	230

*Stalybridge Civic Hall*

- 2.11 The scheme was re-programmed to early 2022 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 later in 2023.
- 2.12 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 successful bid to secure £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 decision on when to proceed is now required and a comprehensive report on Stalybridge Civic Hall is being prepared for Members to consider at Executive Cabinet.

**Current Schemes: Strategic Sites**

***Proposed Godley Green Garden Village***

- 2.13 The proposed Garden Village at Godley Green has been identified in the Greater Manchester Development Plan, Places for Everyone, as the key strategic site for residential development in Tameside.

2.14 The outline planning application and refreshed Environmental Statement was re-submitted to the LPA on 5 November 2022. The Project Team is currently responding to all outstanding issues raised by statutory consultees, the most salient being a holding objection until 7 April from National Highways. A cost plan outlining the spending of the remaining £9,280,000 of £10m Housing Infrastructure Funding grant has been developed by the Project team and agreed with Homes England through the Client Relationship Manager process. Discussions in relation to extending the current milestones with Homes England are ongoing.

#### ***Mottram show relocation***

2.15 As part of the Mottram show relocation, approval will be required for a payment of up to £7,500 to be made toward the cost of new containers which are required to store the property of the society between shows, e.g. fencing etc. It is proposed that this sum is resourced via the earmarked capital programme budget of £103,000 that is allocated to the Mottram showground.

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

2.16 Preliminary work for the delivery of the project to provide a refurbished and extended ticket office at Hattersley Railway Station completed at the end of January 2023 with the main construction works beginning at the end of March 2022.

2.17 The scheme has a total budget of £750,000, and spend on the scheme at Q3 2022/23 was £546,141. The remaining funding of £203,859 is due to be invoiced for by the end of March 2023 for costs incurred to final completion. The scheme completed at the end of January 2023 with the official opening of the new ticket office on 16 February 2023.

2.18 Unfortunately, the scheme has experienced delays due to extended delivery periods for some materials being used on the project. Furthermore the extremely cold weather in late 2022 resulted in delays to final completion of the project as contractors were unable to lay the floor screed or undertake other works.

2.19 The costs of the materials has increased significantly from the original forecasts due to the impact of inflation. Whilst these cost increases have been mitigated as much as possible, the scheme has an estimated overspend of up to £30,000 on final completion. The Council has been working closely with Northern Trains and Network Rail on mitigations to reduce this overspend as much as possible. Network Rail have reduced some of their costs and Northern Trains have provided some additional funding for scheme, however the contractor has been unable to absorb all additional project costs.

2.20 A report was presented to the Hattersley Land Board on 30 November 2022 requesting the additional budget of up to £30,000 via funding held in Council reserves on behalf of the Land Board. The approval is subject to a separate Council decision and will enable completion of the scheme at no additional cost to the Council.

#### **Current Schemes: Property**

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

2.21 In terms of progress at the date of this report, a cumulative total of £760,000 has been achieved through completed sales.

2.22 In addition to the completed sales, the Estates team have agreed sales which are currently pending exchange of contracts with a total value of £4,965,000, together with further agreed sales progressing through governance totalling £809,000. The asset disposals programme is considered and monitored at the Asset Management Panel.

##### ***Tameside One Voids***

2.23 The pricing for the final phase of the Tameside One Voids scheme is ongoing with the outcome to be reported to members in April 2023. Approval to the final phase, which will commence in

May 2023, includes the completion of the two remaining floors in the Tameside College operated area of the building. It is proposed that the additional cost of the scheme, (at a value yet to be determined) will be met from the Council's Insurance Reserve as set out in the previous report to Executive Cabinet 10 February 2021 which approved the installation of equipment and associated contract and project management costs up to a value of £1,249,363.

**Decarbonisation of the Public Estate – PSDS 3a**

- 2.24 Tameside's successful bid for further funding for phase 3a of the Public Sector Decarbonisation Scheme was confirmed in early 2022.
- 2.25 Six sites were initially put forward for phase 3a of the scheme; two schools, two leisure centres and two corporate sites. A requirement of the grant is that all of the grant funded element of the project must be spent by 31 March 2023 in order for the funding to be released. At the time of writing, our partners (Robertsons and LEP) have advised that we are on schedule to be able to draw down all grant monies by 31 March 2023. The match funding element can be spent after the 31 March 2023 for any remaining works and at the time of writing the estimated amount of match funding to be invoiced for works after the 31<sup>st</sup> March is circa £48,000 but may be subject to change.
- 2.26 The deliverability of the decarbonisation works planned for Stalybridge Civic Hall within the project period (grant to be spent by 31st March 2023) is now not possible due to the complex nature of the building and blending with the other work required at this location. Detailed designs for the decarbonisation works at the Civic Hall have been produced and will support the opportunity to resubmit a bid into a future round of PSDS funding. This would provide a delivery programme for the works which should align more favourably with the schedule for any wider works undertaken at the building.
- 2.27 The removal of Clarence Arcade (as previously reported to SPCMP) and Stalybridge Civic Hall from the programme means that the revised costings are currently projected at an overarching project value of £2,314,685. The grant the Council is eligible to apply for now totals circa £1,569,523 leaving a sum of £692,852 that the Council will contribute. The estimated Council contribution across the four remaining schemes has reduced since the original report was submitted to Cabinet in 2022. The match funding for the four remaining schemes in the original report totalled £776,535 and following the tender process is now estimated at £692,852, making an estimated projected saving of £83,683.
- 2.28 **Table 1** below details the most recent figures for the project following tender process but may still be subject to some change.

**Table 1 PSDS3 Supporting figures - MOST RECENT FIGURES - MAY STILL BE SUBJECT TO SOME CHANGE**

Site	Total project cost £	Total grant available £	TMBC contribution £	TMBC %
Active Leisure Medlock*	891,061	683,483	207,578	23%
Active Leisure Hyde*	644,727	381,963	262,764	41%
31 Clarence Arcade*	37,122	37,122	-	0%
Stalybridge Civic Hall & Market*	27,232	27,232	-	0%
St Johns Primary School*	301,309	182,220	85,948	29%
Stalyhill Junior School	413,234	257,503	136,562	33%
<b>Total</b>	<b>2,314,685</b>	<b>1,569,523</b>	<b>692,852</b>	<b>30%</b>

- 2.29 In addition to the above match costs detailed a further £75,000 from Schools Condition Grant funding has been ring-fenced to support the delivery of the two schools projects. This money will fund supportive works not funded by the PSDS3a grant such as asbestos removal and other enabling works. Due to the considerable amount of asbestos removal and reinstatement

of fire compartmentalisation, further funding will be required from the School condition contingency fund of circa £30,000 as agreed by the Director of Education and a virement of funds from the St Johns CE decarbonisation works of circa £6,000. Actuals are not available at present.

### Other Schemes

- 2.30 The following capital schemes, as set out in **Table 2**, have reached the end of their 12 month defect liability period with all outstanding retentions financed in this financial year. The schemes have been completed within the approved budget with residual underspend balances as stated in **Table 2**.

**Table 2**

<b>Scheme</b>	<b>Scheme Underspend £'000</b>
Denton Baths Demolition	62
Two Trees Demolition	4
Ashton Old Baths Phase 3	65
New Droylsden Library & Old library Demolition	76
<b>Total</b>	<b>207</b>

- 2.31 The scheme underspends have a cumulative value of £207,000.
- 2.32 The defects liability period for Hyde pool has been extended due to lack of progress in dealing with outstanding issues. The final retention payment is unlikely to be settled by the end of the 2022/23 financial year. The final account for the scheme has been estimated at £102,000 which is £31,000 over the remaining scheme budget. The extra cost is attributed to the provision of additional building security measures not included in the original contract with the LEP along with some minor alterations to the existing building required to improve interfaces not included in the original contract with the LEP. It is proposed that the estimated additional cost of £31,000 is financed via the residual balance of £207,000 as referenced in table 2. In order to ensure that the scheme wasn't delayed, thereby incurring additional costs, it was envisaged that the additional cost of the essential works would be met from scheme contingency. However, other "end of scheme" demands on the contingency budget has meant that the scheme requires additional funding.

## 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 invoiced, although not yet all has been received. Total allocations approved are £427,000 leaving a balance available of £2,334,000 as detailed in **Appendix 2**.

## 4. RISK MANAGEMENT

- 4.1 **Table 3** 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 3**

<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.

## 5. RECOMMENDATIONS

5.1 As set out at the front of this report.