

Report to:	STRATEGIC PLANNING AND CAPITAL MONITORING PANEL
Date:	22 June 2023
Executive Member	<p>Councillor Jacqueline North, First Deputy (Finance, Resources & Transformation)</p> <p>Councillor Denise Ward, Climate Emergency & Environmental Services</p> <p>Councillor David Sweeton, Inclusive Growth, Business & Employment</p> <p>Councillor Vimal Choksi, Towns & Communities</p> <p>Councillor Jan Jackson, Planning Transport and Connectivity</p>
Reporting Officer:	<p>Julian Jackson – Director of Place</p> <p>Ben Middleton – Assistant Director, Strategic Property</p>
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:	<p>(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</p> <p>(ii) That Strategic Planning and Capital Monitoring Panel recommend to Executive Cabinet the allocation of £1,493 from the Hattersley Land Board, held in Council reserves, to fund the total overspend in relation to the works at Hattersley Railway Station.</p>
Corporate Plan:	A number of the schemes presented in this report continue to support the objectives of the Corporate Plan.
Policy Implications:	<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"> • 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. <p>Supporting and facilitating sustainable travel options.</p>
Financial Implications: (Authorised by the statutory Section 151 Officer & Chief Finance Officer)	This report provides an update on delivery of approved Capital Projects within the Place Directorate in relation to Town Centres, Property and Planning. With the exception of the additional budget request of £1,493 relating to Hattersley station, all projects are being delivered within previously approved budgets. All schemes within this report are funded from either external grants or reserves, there are no schemes funded from borrowing.

Ashton Town Centre

Further work undertaken on the design stage of the project to ensure maximum benefit for Ashton Town Centre has resulted in spend being less than originally anticipated in 2022/23.

Quarterly progress updates are reported through the Levelling Up Monitoring Framework in respect of the Levelling Up Grant. These quarterly returns provide assurance to the Department for Levelling Up, Housing and Communities (DLUHC) that the terms and conditions of grant are being met.

Levelling Up - Ashton		£m
Prior Year Spend		0.015
2022/23 Outturn		1.007
Future Year Projection		18.848
Total		19.870
Funding:		
Levelling Up Grant		19.870

The Public Realm budget was previously re-phased into 2023-24, however the decision was taken to fund the movement of the Town Centre compound and some Market improvement works from this budget in 2022-23.

Public Realm		£m
Prior Year Spend		0.000
2022/23 Outturn		0.117
Future Year Projection		4.799
Total		4.916
Funding:		
TfGM Grants		0.665
Reserves / Capital Receipts		4.251

Stalybridge Town Centre

In the March 2023 UK Budget, Stalybridge Town Centre was awarded capital funding of £19.9m from the Department for Levelling Up Housing and Communities (DLUHC). This funding will be added to the Capital Programme in 2023/24.

Existing works in relation to Heritage Walk and the Shop front Grant Scheme within the Stalybridge Heritage Action Zone (HAZ) are progressing and due for completion later in 2023.

Stalybridge HAZ		£m
Prior Year Spend		0.503
2022/23 Outturn		1.147
Future Year Projection		2.038
Total		3.688
Funding:		

Historic England Grant	1.275
Revenue Contributions	0.311
Reserves / Capital Receipts	2.102

Godley Green Garden Village

The budget for Godley Green includes £10m of Homes England Grant funding. £0.72m of this grant has been spent to date; the remaining £0.928m is subject to challenging milestones, which require delivery by 31 March 2024. It is extremely unlikely that these delivery milestones will be met and discussions are in progress with Homes England and GMCA regarding future funding.

April 2023 Executive Cabinet approved a budget report for Godley Green which provides for the repurposing of some reserve funded budget to enable conclusion of the planning process. Once the planning process is complete, it is expected that the business case, including the financial modelling, will be refreshed and options for delivery of the scheme subject to Executive Cabinet decision.

Godley Green		£m
Prior Year Spend		2.178
2022/23 Outturn		1.491
Future Year Projection		9.716
Total		13.385
Funding:		
Homes England Grant		10.000
Council Reserves		3.385

Hattersley Station

Hattersley Station		£m
Prior Year Spend		0.189
2022/23 Outturn		0.513
Future Year Projection		0.050
Total		0.752
Funding:		
TfGM Grant		0.750

This scheme is now substantially complete, with only residual works required in April 2023. The final costs are £1,493 in excess of budget. Hattersley Land Board previously agreed to fund this additional cost and Executive Cabinet are now asked to approve the utilisation of Hattersley Land Board funds for this purpose. The £0.050m identified against Future Year Projection is expected to be fully utilised for payment of the final invoices received in May 2023.

Tameside One Voids

Tameside One Voids		£m
Prior Year Spend		0.986
2022/23 Outturn		0.190

Future Year Projection	0.073
Total	1.249
Funding:	
Insurance Reserves	1.249

As set out in section 2 of this report, the final phase of these works are not progressing due to a change in the advice from the Council's insurance broker. The residual budget balance of £0.073m is required to fund retention sums for work completed to date.

Decarbonisation of the Estate

The GMCA grant funded elements of this scheme were required to be completed by 31 March 2023. The residual works to be delivered by the end of 2023 are funded from school condition grant and reserves/capital receipts.

Decarbonisation of the estate	£m
Prior Year Spend	0.000
2022/23 Outturn	2.046
Future Year Projection	0.441
Total	2.487
Funding:	
GMCA Grant	2.168
School Condition Grant	0.310
Reserves / Capital Receipts	0.599

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.

Legal Implications: (Authorised by the Borough Solicitor)

There are no immediate legal implications arising from this report which is predominately for information purposes. Each of the projects detailed in the report are subject to their own due diligence, governance and decision making.

Members are being asked to recommend to Cabinet, as the decision maker, the allocation of £1,493 from the Hattersley Land Board, held in Council reserves, to fund the total overspend in relation to the works at Hattersley Railway Station for the reasons set out at 2.19 to 2.21 in the main body of the report.


Risk Management:

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


Access to Information:

Not confidential

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

 Telephone: [07510383741](tel:07510383741)

 E-mail: 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 Survey work to establish a fixed price for the following elements of the Ashton Town Hall scheme have progressed significantly.

- Complete roof repair including the removal and reinstatement of multiple M&E penetrations.
- Repair and restoration of the rear elevations.
- Repair to stone work and cleaning of the front elevations, including the parapet and Town Hall steps.
- Soft strip of the remaining M&E systems, including any remaining asbestos.
- Reinstatement temporary internal heating, power and ventilation to maintain the internal fabric of the building.
- Create DDA compliant access to and within the building.

- 2.3 Further intrusive surveys are now required to the roof and stone parapets which require the provision of an external scaffold to facilitate safe access. Currently access to the roof is strictly limited due to the lack of an in situ "man-safe" system. The cost of the scaffold and associated site compound is currently being established by the LEP. In keeping with existing governance the cost of these elements will be met from the approved budget.

Ashton Public Realm

- 2.4 Works on the Stage Two design have now been completed and approval to progress to the next stage, which includes the detailed design of the scheme and the submission of a planning application, was granted at Executive Cabinet on 29 March 2023 ([Item 9](#)). Engagement sessions with key stakeholders, including market traders, will continue throughout this detailed design phase. It is proposed that construction on site will commence in early 2024, however, a further report outlining the conclusion of the detailed design works will be submitted to Executive Cabinet in November 2023 for final approval.

Former Interchange Site

- 2.5 The Council is currently finalising the acquisition of this site from Transport for Greater Manchester (TfGM). 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. A separate report regarding Tameside Interchange is being presented to June 2023 Board and Executive Cabinet for approval.

Stalybridge Town Centre

Capital Regeneration Funding

- 2.6 In the March 2023 UK Budget, Stalybridge Town Centre was awarded capital funding of £19.9m from the Government's Department for Levelling Up Housing and Communities (DLUHC). The funding will support work underway through the wider Stalybridge Town Centre Regeneration Programme and support enabling infrastructure works at Stalybridge West, the creation of the Stalybridge Cultural Quarter comprising the Civic Hall building and Astley Cheetham Art Gallery and Library, and further improvements to the public realm in addition to the existing Heritage Walk project.

Heritage Walk

- 2.7 The Heritage Walk public realm scheme 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. Following a pause to work on site in April 2023, due to a delay in the supply of materials, work recommenced on site in May 2023. As part of the next stage of works it is necessary to close sections of Market Street to through traffic for up to seven months. The closures are being put in place in stages to allow for the work to be completed and phased closures managed. The first stage of the closure from the junction of Water Street to Melbourne Street commenced on 2 May 2023 and will be in place for up to four months. The whole scheme is due for practical completion by the end of 2023.

Shopfront Grant Scheme, Market Street

- 2.8 Work to one property on Market Street using the shop front grant scheme to the value of c£50,000 is intended to be completed in summer 2023. A Shop Front Design Guide for Market Street is also being finalised to support and guide future developments in this location.
- 2.9 The original HSHAZ programme in 2019 identified ten priority properties on Market Street to concentrate activity on vacant buildings. Eight of the original properties identified have had work completed of their own accord before the HSHAZ scheme was formally established. There are two of the original ten properties identified that remain vacant. Discussions are now progressing with one of these properties utilised the shop front grant scheme later this year.

Stalybridge Civic Hall

- 2.10 Approval to proceed with restoration of the roof at Stalybridge Civic Hall was given by Executive Cabinet on 26 April 2023. Works will start on site in August 2023 with completion scheduled for May 2024. Access to the building during the restoration period will be strictly limited which will require the temporary relocation of the existing occupants of the building to other sites in the Borough.

Current Schemes: Strategic Sites

Proposed Godley Green Garden Village

- 2.11 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. The outline planning application and refreshed Environmental Statement was re-submitted to the LPA on 5 November 2022.
- 2.12 On April 12, Board recommended that £330,000 of the existing approved budget for landowner option fees is repurposed to finance the determination of the outline planning application and also to complete the lease/legal documentation associated with the surrender of the PFI's leasehold interest at Alder High.

Current Position

- 2.13 The National Highways holding direction on the planning application has been lifted and the Project Team is currently responding to all outstanding issues raised by statutory consultees,

the most salient being a series of technical issues raised by the Local Lead Flood Authority. Once these items are satisfactorily concluded, a planning committee date will be confirmed.

- 2.14 The Council are work closely with Homes England regionally and the Greater Manchester Combined Authority (GMCA) to try and ensure that funding is retained for the long term benefit of the project.
- 2.15 The Godley Green scheme has now reached a critical stage in the development and delivery programme. The Council, supported by GMCA, has undertaken a Gateway Review to ensure that systems and processes are in place to support the delivery of the scheme following planning determination. A further report to members will be provided, following conclusion of the outline planning process and Gateway Review, with clear recommendations to support the efficient and effective delivery of the next phase of development

Hattersley Station Passenger Facilities

- 2.16 The main construction works to provide a refurbished and extended ticket office at Hattersley Railway Station were completed at the end of January 2023 with the official opening of the new ticket office on 16 February 2023.
- 2.17 The scheme has a total budget of £750,000, funded from Growth Deal 2. The costs of materials required to deliver the scheme increased significantly from the original forecasts due to the impact of inflation. These cost increases have been mitigated as much as possible, however, the completed scheme has a total overspend of £1,493 on the original budget. The final invoices for £49,000 were received in late April/May 2023.
- 2.18 A report to the Hattersley Land Board on 30 November 2022 requested an additional budget of up to £30,000 via funding held in Council reserves on behalf of the Land Board. This will fund the scheme overspend of £1,493 and enable completion of the scheme at no additional cost to the Council's Capital Programme.

Current Schemes: Property

Land Disposals

- 2.19 Over the past two financial years, a cumulative total of £0.760m has been achieved through completed sales. Moving into the current 2023/24 financial year, it is currently forecast that a cumulative total of £5.649m will achieved from 19 transactions. The overall risk profile for this financial year is amber, with 17 of the 19 transactions falling within this rating, totalling £5.326m representing 94.3% of the total capital receipts forecast for this financial year.
- 2.20 In terms of risk, by the very nature of the property market, selling land and property can never be entirely de-risked. All property transactions carry an inherent degree of uncertainty and depending on the circumstances of each, remain at varying levels of risk, until an unconditional contractual position is achieved. Accordingly, risk levels are mitigated as far as possible, by ensuring ensure that all sales are closely monitored and effectively driven, albeit recognising that the success of any transactional programme, is ultimately determined by local and national economic influences.

Tameside One Voids

- 2.21 On 10 February 2021, Executive Cabinet approved a report titled, 'Invest to save – Tameside One Insurance Proposition'. The report approved the installation of fire detection equipment into the ceiling voids at Tameside One which included the area occupied by Tameside College. The report explained the insurance implications if the Council did not install the fire detection equipment, specifically:
- The Council's property insurers confirmed that they would impose a 25% coinsurance clause (or £0.250m whichever is the greater amount) if there was a failure to comply with the installation recommendation. A co-insurance clause effectively makes the Council

responsible for that specified proportion of each and every fire claim that may arise. As an example there would be a self-insured amount of £1m in the event of a £4m fire claim, increasing to a maximum £11.875m for a total claim of £47.5m (the current insured value of the building). This is considerably higher than the £0.100m voluntary policy excess that currently applies.

- It was also suggested that failure to comply with the Council's property insurer's recommendation to install the equipment is highly likely to bring additional annual insurance premiums.

2.22 Works to the Council occupied areas of the building have been successfully completed along with three floors in the area of the building occupied by Tameside College. In order to complete the final two floors the LEP requires exclusive access to the areas which must be fully vacated by the college for the duration of the work. Unfettered access to the college areas of the building can only be achieved during the summer break from the end of May to early September 2023. The adjustment to the contract installation programme requires a contract variation with the LEP. The cost implications of the proposed reprogramming of the final phase of the scheme is estimated to be £133,000 which would need to be funded from Insurance Reserve.

2.23 The Council's Risk and Insurance team has asked the Council's insurance broker to reassess the current situation. The Council has been advised that if it doesn't undertake the final phase of work the following will now apply which supersedes the previous advice given:

- Coinsurance will not apply.
- The insurance premium will not increase.
- However, the deductible (excess) for this location would increase to £250,000 each and every claim – this is in comparison to the standard £100,000 applying to the Policy. Therefore the maximum financial risk to the Council is the payment of an additional £150,000 (maximum) contribution to the cost of any claims.

2.24 This latest advice from Travelers is clearly different to the understanding in 2021 and as such is a key consideration for the Council. From a property risk point of view, the advice would be still to do the works. This is on the basis that the majority of the works have been undertaken and whilst a building loss that arises because of no fire detection in these two floors would not result in a coinsurance financial issue it would still result in a major operational issue for the Council and the college. Notwithstanding this, and from a purely immediate financial perspective and the current pressure on capital reserves it is proposed that the final phase of work should not be progressed at this time and that the matter be reviewed periodically to ensure the Council's insurance position does not materially change as a result of not completing the works. This approach is in line with Health and Safety requirements. The change of approach to managing Tameside One voids will be presented to Board later this year for approval.

2.25 The residual budget balance of £73,000 is required to fund retention sums for work completed to date.

Decarbonisation of the Public Estate – PSDS 3a

2.26 Six sites within Tameside were initially put forward for phase 3a of the Public Sector Decarbonisation Scheme phase 3a of the scheme, with 31 Clarence Arcade and Stalybridge Civic Hall subsequently having been removed from the scheme as previously reported.

2.27 A requirement of the scheme was that the grant-funded element of projects be spent by 31st March 2023. Any match-funding element can be spent after the 31st March 2023 to complete the project.

2.28 The majority of the works at the four sites within the programme is complete with the rest of the works to be completed by the end of 2023.

2.29 The table below details the most recent figures but may still be subject to some change. The match contribution the Council is expected to pay is less than the original amount which was £776,534 across the four remaining schemes. Works are not yet fully complete and we have been advised that the contractor is still targeting further savings if possible on the final elements of the works.

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*	892,611	685,839	246,067	28%
Active Leisure Hyde*	697,773	444,779	281,185	40%
31 Clarence Arcade*	37,122	37,122	-	0%
Stalybridge Civic Hall & Market*	27,232	27,232	-	0%
St Johns Primary School*	251,103	146,548	104,555	42%
Stalyhill Junior School	352,944	231,952	120,992	34%
Total	2,258,786	1,573,472	752,800	33%
Less GMCA Fee		67486		
		1,505,986		

2.30 In addition to the above match costs detailed a further £105,000 from Schools Condition funding has been ring-fenced to support the delivery of the two schools projects. This money has been used to fund supportive works not funded by the PSDS3a grant such as asbestos removal and other enabling works. At present circa £53,000 has been committed to be spent across these two projects.

3. RISK MANAGEMENT

3.1 **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

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	Procurement processes will start earlier than normal and the situation will be kept under review and delivery programmes adjusted if necessary.

timescales and availability of materials.	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.