

STRATEGIC PLANNING AND CAPITAL MONITORING PANEL

21 September 2015

Commenced: 2.00pm

Terminated: 2.30pm

Present:

Councillor J Taylor (In the Chair)

Councillors Dickinson, Fairfoull, J Fitzpatrick, McNally and Reynolds.

Monitoring Officer

Sandra Stewart

Section 151 Officer:

Ben Jay

Also in attendance

Damien Bourke, Ian Saxon, Elaine Todd, Tim Rainey, Paul Moore and Beverley Stephens.

Apologies for Absence:

Councillor K Quinn, Cooney and B Holland

12. DECLARATIONS OF INTEREST

There were no declarations of interest reported at this meeting.

13. MINUTES

The Minutes of the meeting of the Strategic Planning and Capital Monitoring Panel held on 13 July 2015 were signed by the Chair as a correct record.

14. CAPITAL MONITORING REPORT

Consideration was given to a report of the First Deputy (Performance and Finance) / Assistant Executive Director (Finance) detailing the capital monitoring position at 30 June 2015. The report showed projected capital investment of £53.991 million by March 2016. This was £15,992 million less than the current budget. Re-phasing of £15,390 million into the next financial year was therefore proposed, which would reduce the variation to £0.602 million.

Details of the projected outturn capital expenditure at June 2015 were shown by service area and Section 3 of the report referred to the most significant scheme variations.

Particular reference was also made to the changes to the approved 3 year capital programme, capital receipts and prudential indicators and it was -

RESOLVED

- (i) That the current capital monitoring position be noted;
- (ii) That the resources currently available to fund the capital programme be noted;
- (iii) That the re-phasing to reflect up-to-date investment profiles be approved;
- (iv) That the current position with regard to Compulsory Purchase Orders (CPO's) and Indemnities be noted;
- (v) That the changes to the capital programme be noted;
- (vi) That the capital receipts position be noted; and
- (vii) That the changes to the Prudential Indicators be approved.

15. VISION TAMESIDE PHASE 2

Consideration was given to a report of the Assistant Executive Director (Asset Management and Investment Partnership) detailing the progress to deliver the Vision Tameside Phase 2 Programme.

It was reported that significant progress had been made since the last meeting of the Panel in July 2015, including:

- The surrender of the lease with the Co-operative Bank plc had been completed and the bank had moved into a new retail unit in the town centre;
- The decant work at all locations had now been completed and final costs were being received from remaining works;
- Decant of services out of TAC was completed 17 July 2015, with the building being cleared of furniture, equipment etc., by 16 August 2015;
- The contract for the demolition of the Tac building was signed on 10 August 2015 and the building formally handed over to the LEP and demolition contractors on 17 August 2015,
- 360 scanning boxes had been removed from TAC and were being processed by the TIP's nominated sub-contractor;
- The planning application for the new building was submitted in June 2015 and approved at Speakers' Panel on 2 September 2015;
- Discussions were progressing with the College, Job Centre Plus and the Clinical Commissioning Group about their proposed space, which were very close to being finalised;
- The purchase of James Howe Mill, Turner Lane, Ashton had been completed, with progress by Vodafone in respect of their relocation of the mast on TAC being closely monitored to ensure that they vacated the building in early October 2015,
- The BSF servers had been relocated to a new data centre for most schools and a temporary solution put in place for remaining schools, to allow the servers and power supply to be disconnected at the end of September 2015; and
- The Clarendon College building Phase 1 Vision Tameside was nearing completion.

Details of the updated programme for Vision Tameside Phase 2 were given, which informed Members that the new building would be delivered for February 2018.

With regard to financial implications, no further changes to vire budget heads within the overall programme budget which was fixed were requested at this time, however, on-going work was being undertaken to finalise the decant, scanning and archive costs, assessing the impact of any additional demolition costs, the scope and cost of furniture, fittings and equipment and any design changes.

It was reported that the risk profile of the programme of activity was being reviewed through the Stage 2 process and details of risks going forward as the programme developed were explained.

In conclusion, it was reported that all elements of the programme would be closely monitored on a fortnightly basis to ensure that the programme was delivered within the approved budget. The outstanding agreements for lease and leases with partners and particularly the College must be resolved as soon as possible to confirm the occupation by the College of the new building and also enable capital and revenue budgets to be confirmed.

RESOLVED

That the progress of the Vision Tameside Phase 2 be noted.

16. ASSET MANAGEMENT UPDATE

Consideration was given to a report of the Assistant Executive Director (Asset Management and Investment Partnership) detailing the progress on the disposal of the Council's surplus assets,

anticipated capital receipts that would be realised and investment that was required to maintain those buildings being occupied and retained or dilapidated arising from the termination of leases.

Details were given of the disposal of assets and it was reported that all of the surplus leased properties had been vacated, and in most cases, dilapidations had been agreed and completed. The exact level of dilapidation in respect of Good Hope Mill was still being negotiated and would be subject to further reports to the Strategic Capital Panel and formal governance.

It was also reported that the Council still had a number of long leases in respect of Plantation Estates and Portland Basin and in addition, leases the former St Ann's RC Primary School in Ashton as a training centre.

With regard to investment in civic and corporate buildings, it was reported that there was no reactive maintenance budget included within the corporate landlord budgets and any repairs or upgrading of buildings required a request for additional investment to be made to the Panel for approval by Cabinet. In the past few months a number of requests had been received for repairs for civic and operational buildings for which there was no revenue or capital budget allocation. An analysis of repairs was detailed totalling £154,100.

As previously reported, the capital receipts that were anticipated to be received over the next three years were as follows:

Estimated Receipt Required to Balance Capital Programme	2015/16 Est	2015/16 Actual to Date	2016/17 Est	Post 2016/17 Est	Total
£000	£000	£000	£000	£000	£000
16,333	15,000	1,243	15,000	15,000	45,000

The above summary of estimated capital receipts was based on land and property already identified for disposal and reflected either firm offers received or the best estimate of the capital receipt that was likely to be received. A target of £15 million per annum receipts had been set for the next three years. A list of properties was being considered for future reporting to the Panel. Information in respect of properties that had been identified for disposal or where tenants had sought to acquire the freehold of the properties being leased were detailed in **Appendix 1**.

RESOLVED

That the following recommendations be made to Executive Cabinet:

- (i) That the list of disposals identified in Appendix 1 to the report be approved; and**
- (ii) That the allocation of £154,100 to undertake building condition replacement/repair projects be approved.**

17. EDUCATION CAPITAL UPDATE

Consideration was given to a report of the Assistant Executive Director (Asset Management and Investment Partnership) advising the Panel of work required to address condition needs in a number of primary school and plans for increased capacity in schools identified for expansion.

It was explained that the Council had a statutory duty under the Education Act 2011 to secure sufficient and suitable places for pupils in its area in primary and secondary schools across the borough. It also has the responsibility for the maintenance of community and voluntary aided school buildings, even though it does not own voluntary aided school buildings.

It was reported that a significant number of capital projects were recommended for approval at previous meetings and delivered over the summer of 2015. Including:

- Completion of the new 2FE school for Holden Clough, which had been delivered through the Priority Schools Building Programme;
- Completion of the new 2FE Inspire Academy in Ashton;
- Completion of the 60 place extension for Samuel Laycock school;
- The new kitchens planned as a result of the additional Universal Infant Free School Meals grant had been progressed at St Anne's and St James, Hattersley; and
- The condition work programme had also been progressed over the summer.

Work had also commenced on site for the new Broadoak 2FE primary school building in July 2015, with the new school being completed in February 2018.

The work to relocate the BSF servers to a new data centre had been completed, with individual schools migrating across to the new servers. In some cases the new broadband provider had not completed all the connections required. Due to the needs to increase the resilience of the schools ICT systems and remove the current servers from TAC, a temporary solution was being installed on three sites and funding for £40,000 was being requested for this work.

With regard to education investment, the Council received notification from the DfE on 10 February 2015 that Condition Funding of £1,920,166 would be allocated for maintained schools in respect of the financial year 2015/2016. In addition, £768,060 was allocated to Voluntary Aided schools. The funding for Voluntary Aided Schools was prioritised and agreed by the four dioceses in Tameside and did not appear on the capital programme. Allocations for 2016/17 and 2017/18 were expected to be at similar levels but would be reduced to take account of any additional schools that converted to Academy Trusts.

Members were advised that the Council had already been notified of Basic Need Funding for 2015/16 of £5,663,234 and £5,946,396 for 2016/17 was confirmed last financial year. Basic Need funding of £6,542,566 for the financial year 2017/2018 was confirmed on 12 February 2015.

It was further reported that the majority of primary basic need schemes required had already been approved. There was one remaining scheme, the provision of an additional classroom at St James, Hattersley, that required approval, the cost of the scheme was estimated at £220,000 including VAT, which would not be reclaimable as the school was a voluntary aided school.

With regard to Condition and Maintenance Schemes, the Council had undertaken additional condition surveys of a number of schools whose condition was known to be deteriorating and details were given of schemes that needed to be progressed over the next two financial years.

In respect of risk management, it was reported that the risk of managing the condition and suitability of community and voluntary aided school buildings had been mitigated by successful bidding for additional capital resources over the last fifteen years, from Exceptional Basic Need, Targeted Capital, Building Schools for the Future, Primary Capital Strategy for Change, Priority School Building and Targeted Basic Need Programmes. Recent condition surveys of a number of schools have indicated that urgent work was required to be carried out in order to address health and safety issues and prevent further deterioration. The most urgent investment schemes were proposed to address this.

Plans needed to be developed over the next few months to consider options for the increase in capacity required in high schools to accommodate the additional pupils moving through into the secondary sector.

In conclusion, it was reported that there had been significant capital investment in schools over the last 15 years which would support the Council's delivery of its statutory responsibilities connected with the provision of sufficient and suitable places. The delivery of the core strategy would further increase the demand for places within the next 5 to 20 years as the impact of new homes increased the number of school age children in the Borough which would need to be planned for carefully.

RESOLVED

That the following recommendations be made to Executive Cabinet:

- (i) Approve, in principle, the allocation of funding within the Education Capital programme 2016/2017 and 2017/2018, subject to sufficient condition funding being made available by the DfE as follows:

Proposed Condition Schemes in 2016/2017 and 2017/2018			Estimated Cost
School	Type of Work	Detail of Scheme	£
Oakfield	Boilers	Replace boilers, and fan convectors	45,000
Gorse hall	Electrics	Small power, upgrade	100,000
Arlies	Heating	Replace heat emitters and upgrade controls	130,000
Broadbent Fold	Heating	Replace fan convectors boilers and pumps	100,000
Dowson	Heating	Replace fan convectors boilers and pumps	60,000
Livingstone	Heating	Replace radiators and pipework.	139,000
Waterloo	Heating	Replace air handling unit and fan convectors. Replace boilers	100,000
Corrie	Boilers and heating	Replace boilers upgrade controls replace radiators.	95,000
Greenside	Boilers	Replace single boiler 40 years old and fan convectors.	165,000
Greenside	Electrics	upgrade of systems	200,000
Stalyhill Infants	Boilers	Replace boilers and fan convectors	45,000
Yew Tree	Heating	Plant, pumps and fan convector replacement.	180,000
Hurst Knoll	Heating	Replace nursery boiler and fan convectors and Y5&6 air con.	23,000
The Heys	Flooring	Defective floors	50,000
Oakdale	Boilers	Upgrade boiler plant and additional radiators	83,000
Contingency for asbestos removal, survey fees and inflation			200,000
Total Projected Cost			1,715,000

- (ii) The allocation of £220,000 basic need funding, in respect of the proposed additional classroom at St James, Hattersley be approved; and
- (iii) The allocation of £40,000 Capital maintenance funding in respect of the temporary ICT solution at 3 BSF schools be approved.

18. DEVELOPER AGREEMENTS, CONTRIBUTIONS AND SECTION 106 AGREEMENTS

Consideration was given to a report of the Executive Director (Place), summarising the current position with regard to receipts received from Section 106 Agreements and Developer Contributions.

It was reported that the summary position as at 1 September 2015 for Section 106 Agreements totalled £178,000, with Developer Contributions totalling £232,000. The balance of unallocated section 106 funds and developer contributions were as follows:-

- Services for Children and Young People - £124,000 (s106) and £12,000 developer contributions;
- Community Services (Operations) - £44,000 (s106) and £208,000 developer contributions; and
- Engineering Services - £10,000 (s106) and £10,000 developer contributions.

RESOLVED

- (i) **That the current position with regard to receipts received from Section 106 Agreements and Developer Contributions be noted.**
- (ii) **That a report be submitted to the next meeting of the Panel explaining the revised legal framework for developer infrastructure costs.**

19. DATA CENTRE AND DISASTER RECOVERY SITE

A report of the Assistant Executive Director (Digital Services) was submitted informing Member that in September 2014 a report detailing the approach and costs associated with decanting the Council's data centre temporarily to Rochdale was approved by the Panel, and work to migrate all the councils systems to Rochdale had now been completed and in total, around 120 front and back office systems were now hosted there.

The report also explained the need for a Disaster Recovery site for a number of business critical systems and it was proposed that instead of waiting until a new permanent data centre facility for the Council was found, and then using the interim facility in Rochdale as the disaster recovery site, for the duration of the councils tenure on the site, the existing data centre at Patterson and Rothwell be used as the Disaster Recovery site.

Costs required to commission the facility were also detailed within the report.

RESOLVED

- (i) **That the Data Centre facility within the Patterson & Rothwell building should be used as the Council's Disaster Recovery site; and**
- (ii) **That work be progressed to report further on the options for a medium to long term position on the data centre location and options for a disaster recovery site, which need to be considered, together and in advance of occupation of the new public service centre and departure from Patterson & Rothwell premises.**

20. HIGHWAYS CHALLENGE FUND BID – BRIDGES AND STRUCTURES 2015/16

The Assistant Executive Director (Environmental Services) submitted a report setting out details of the announcement in the Summer Budget Statement in July 2015 of £3 million funding for Tameside following a review of the Challenge Fund Bids.

The approval for the funding was for the schemes identified in the Council's Challenge Fund Bid submitted in February 2015. A list of the scheme submitted was included in **Appendix 2** of the report.

RESOLVED

That the content of the report be noted.

21. RICHMOND STREET RAIL BRIDGE, ASHTON-UNDER-LYNE

Consideration was given to a report of the Assistant Executive Director (Environmental Services), which sought approval for the Council to contribute £657,425 towards the reconstruction of a three span bridge on Richmond Street, over the railway. The funding would be obtained from the Bridges Capital maintenance grant and the costs shared over three financial years up to 2017/18.

Details were given of the project proposal and benefits and the options available with regard to funding the project.

The report concluded that the delivery of the replacement bridge over the railway line involving replacement of all three spans, could be undertaken in one contract arranged through Network Rail's framework contractor. The costs of these works to Tameside Council would be £657,425 at present day estimates. These costs could be spread over the three financial years to the period 2017/18 using the Council's Bridges and Structures Maintenance funding. The Council would have to enter in to an agreement with network Rail to fund this approach or instead pay for the works via prudential borrowing.

The alternative approach was to pay Network Rail £183,425 over the same period but then arrange to undertake the design and rebuilding works to span 3 using its own contractor, which would be more expensive and delay the time when the Richmond Street bridge could be reopened to unrestricted highway loading, which was currently limited at 7.5 tonnes.

RESOLVED

That the following recommendations be made to Executive Cabinet:

- (i) That approval be given for the total sum of £657,425 to be paid to Network Rail as its contribution to the cost of the works to fully reconstruct the bridge and that the Section 151 officer be authorised to proceed with the most advantageous option in the Council's best interest in respect of financing this contribution;**
- (ii) That the Executive Director (Place), in consultation with the Executive Director (Governance & Resources), be authorised to negotiate the final terms, which doesn't increase risk or cost;**
- (iii) That the Council's Environmental Services (Design and Delivery) team be responsible for making all arrangements for the delivery of the Richmond Street Bridge Span 3; and**
- (iv) That the Executive Director (Place) be authorised to take any additional actions which may be expedient to give effect to this decision within the funding available for the project.**

22. URGENT ITEMS

There were no urgent items for consideration at this meeting.

CHAIR