

Report To:	STRATEGIC PLANNING AND CAPITAL MONITORING PANEL
Date:	30 November 2015
Reporting Officer:	Damien Bourke - Assistant Executive Director (Sustainable Growth and Assets)
Subject:	CORPORATE ASSET MANAGEMENT PLAN UPDATE
Report Summary:	The attached report is intended to update members of the Strategic Planning and Monitoring Capital Panel with progress on the disposal of the Council's surplus assets, anticipated capital receipts that will be realised and investment that is required to maintain those buildings being occupied and retained or dilapidations arising from the termination of leases.
Recommendations:	<p>That Strategic Capital Panel Members review the contents of the report and recommend to Cabinet that the:</p> <ol style="list-style-type: none"> a) Approval of the list of disposals identified in Appendix 1; b) The allocation of £101,600 to undertake building condition replacement / repair projects as detailed at paragraph 3.2; c) That an allocation of £849,488 in respect of the CCTV installation at Dukinfield Town Hall is provisionally made in subject to a full business case being presented at the Cabinet or the next Strategic Capital Panel with procurement through the ESPO framework as set out in Appendix 2; and d) The Director of Place, Robin Monk, be appointed as the alternate director to Steven Pleasant, Chief Executive replacing Elaine Todd, the Assistant Executive Director for Assets and Investment in respect of the inspiredspaces Tameside Limited; inspiredspaces (ProjectCo1) Limited, inspiredspaces (ProjectCo2) Limited, inspiredspaces Tameside (Holdings1) Limited, and inspiredspaces Tameside (Holdings2) Limited companies. Noting that any director fees payable are not paid to the officers but used to support the BSF affordability.
Links to Community Strategy:	To support the delivery of the objectives of the Community Strategy.
Policy Implications:	Expenditure in line with financial and policy framework. To assist in delivering a balanced budget and support the sustainability of the local economy.
Financial Implications:	<p>Substantial work has been undertaken to vacate, market and dispose of a number of buildings in the last eighteen months.</p> <p>Work required on buildings is included within the report at 3.2 and approval of £101,600, corporate funding is required.</p> <p>Corporate funding is required for the installation of a CCTV solution at Dukinfield Town Hall of £849,488. A full evaluation needs to be provided urgently to identify that the running of a CCTV operation is commercially viable.</p> <p>Costs that will be incurred in respect of properties that are leased and the lease is being terminated as indicated at paragraph 2.2 will be met from the service area that has previously occupied and</p>

signed the lease for the property.

Where leasehold properties are disposed of, the corporate landlord will have a reduction in the income target specifically for that asset. Disposals will need to be assessed on the overall cost/benefit to the Council.

It is recommended that close monitoring of the capital receipts projected and realised is continued in future financial years. It should be noted that £11.2m of capital receipts are due to be repaid to the General Fund relating to temporary funding of the BSF programme.

Prior to the final approval of capital allocations all other funding options need to be exhausted including potential for insurance claims.

Legal Implications:

The challenge to the Council is to ensure that its estate makes an effective contribution to improving the Council's financial and business performance; the service delivery agenda; resolving the pressure on demands for estate capacity; and achieving change with minimal capital expenditure. We need to ensure that the buildings we need are fit for purpose and congruent with strategic service delivery. The major financial challenge is to achieve change through improving the productivity of the Council's estate. We need to focus on the service and outcomes being provided and not the building from which historically the service was delivered historically been provided from.

Governance also needs to be put in place for the replacement CCTV provision and business operating arrangements going forward. These will be subject to inspection and regulation by the Office of Surveillance Commissioners – the regulatory framework put in place by government.

The Council realises good investment returns from the TIP and therefore it is important that we are effectively represented to ensure vfm delivered for the Council and that we see good returns to underwrite Council priorities and services.

Risk Management:

The ownership and use of property carries with it a number of risks including health and safety, economic, financial, service delivery, statutory compliance and maintenance risks. It is therefore proposed to develop a risk register as part of the strategic review of the Councils assets to identify and manage risks.

Access to Information:

Any further information can be obtained from the report author Damien Bourke, Assistant Executive Director, Sustainable Growth who can be contacted on:



Telephone: 0161 342 3544



e-mail: damien.bourke@tameside.gov.uk

1. INTRODUCTION

- 1.1 A report detailing progress on the disposal of assets, realisation of capital receipts and assets requiring investment, was considered at the last meeting of the Strategic Capital Panel.
- 1.2 This report is intended to provide members of the Panel with a further update.

2. DISPOSAL OF ASSETS

Leased Buildings

- 2.1 As reported at previous meetings of the Panel, the Council's policy is to terminate leases it has for buildings owned by others and to relocate services to surplus space in Council owned properties, where this delivers value for money, to reduce the revenue cost of operating and occupying buildings.
- 2.2 All of the surplus leased properties have been vacated and in most cases dilapidations have been agreed and completed. The latest progress update is shown as follows:

Property	Former Occupant	Estimated Level of Dilapidations / Payment in Lieu of Work Being Undertaken	Status
Oldham Street	Children's services	£0	Building vacant no dilapidations however there will be a commuted rent of £55,000 to be confirmed plus fees. Chasing landlord to confirm.
Good Hope Mill	Drugs Intervention Programme	£40,000	Lease terminated 31.10.2014. Awaiting final schedule of dilapidations

- 2.3 The exact level of dilapidations in respect of the Good Hope Mill, is still being negotiated and will be subject to further reports to the Strategic Capital Panel and formal governance. This has been reduced from the £80,000 previously reported.
- 2.4 The Council still has long leases in respect of Plantation Estates, Portland Basin and in addition leases the former St Ann's RC Primary School in Ashton, as a training centre.
- 2.5 A new lease has been entered into for 4 surplus classrooms in the new Inspire Academy, Mossley Road, Ashton under Lyne, for the Tameside Music Service, which has relocated from Denton Festival Hall. The lease started on 30 September 2015 and the year 1 cost is £20,000, which is funded from the service by income generated from schools and lessons. The cost will reduce as the occupancy by the school increases proportionately. The lease will be terminated in August 2018. The income to the academy partly offsets the diseconomies support required from the Council.

3. INVESTMENT IN CIVIC AND CORPORATE BUILDINGS

- 3.1 There is no reactive maintenance budget included within the corporate landlord budgets and any repairs or upgrading of the buildings requires a request for additional investment to be made to the Panel for approval by Cabinet. In the past few months a number of repairs have been requested for civic and operational buildings for which there is no revenue or capital budget allocation.

- 3.2 The analysis of the investment required in respect of health and safety repairs is shown in the table below. In some cases these repairs have already had to be undertaken to allow the buildings to remain operational:

Building	Estimated Cost
	£
Ashton Town Hall Options Appraisal	40,000
Loxley House replacement fire doors	15,000
Stalybridge Civic Hall – replacement fire doors, gutter, lightening protection upgrade	10,000
Ashton Market Hall – fly screen, doors and various repairs	7,000
Dukinfield Town Hall – Jubilee Hall Floor Refurbishment and various repairs	10,800
Concorde Suite – replacement fire doors	2,200
Ashton Library cellar repairs	2,500
Wilshaw House, Replacement of kitchen equipment	5,000
Hurst Resource Centre Roof Repairs	2,500
St Peters Childrens Centre – heating repairs	3,100
Hyde Town Hall – Lightening protection and vents	3,500
Total	101,600
CCTV	849,488

- 3.3 The Concord Suite in Droylsden has been vacated by the Greater Manchester Pension Fund staff however, the servers and telephone connectivity for the pension fund are still located in the building and connected to Tony Guardsman's House, via satellite, until the permanent links are installed in the new building.
- 3.4 Condition surveys have been be undertaken and the outcome will be notified shortly.
- 3.5 The Concorde Suite building suffers from cracking in the external perimeter concrete pre cast units and there is concern that these may deteriorate further leading to falling concrete or failure in strong winds. In addition the floors are sagging. The mechanical and electrical systems also need upgrading.
- 3.6 Requests for any capital investment required to the Concorde Suite building, will be subject to a further report to panel. It is intended that the building will then be occupied by staff currently located at the former Two Trees building, to enable this site to be brought to market as soon as possible. It is anticipated that the building will be ready for occupation in Spring 2016, subject to the extent of repairs needed.

4. CAPITAL RECEIPTS

- 4.1 The following table shows the capital receipts that are anticipated to be received over the next three years.

Estimated Receipt Required to Balance Capital Programme	2015/16 Est	2015/16 Act to Date	2016/17 Est	Post 2016/17 Est	Total over 3 Years
£000	£000	£000	£000	£000	£000
16,333	15,000	6,313	15,000	15,000	45,000

- 4.2 The above summary of estimated capital receipts is based on land and property already identified for disposal and reflects either firm offers received or the best estimate of the capital receipt that is likely to be received. A target of £15m per annum receipts has been set for the next three years. A list of properties is being considered for future reporting to the Panel.
- 4.3 General receipts are retained corporately and allocated in line with Council policy.
- 4.4 Capital receipts and progress re leases received since the last report to the Panel are:

Capital Receipts Realised

Site	Town	Date Sold	Receipt Realised £
Land at Stamford Street	Stalybridge	08/10/2015	52,000
5 Newton Street	Ashton	08/10/2015	51,000
Hardwick Street / Moss Street West	Ashton	14/10/2015	35,500
Holden Street	Ashton	08/10/2015	30,500
Land at Wellington Street	Ashton	08/10/2015	106,000
Land at Margaret Street	Ashton	06/10/2015	60,000
Land at Board Street / Kings Road	Ashton	01/10/2015	20,000
Former Stamford High School	Ashton	TBC	4,250,000*
Beyer Peacock Centre,	Audenshaw	23/09/2015	90,000
Land adj 148 Moorside Street	Droylsden	08/10/2015	29,000
Land at Frances Street, Hyde	Hyde	08/10/2015	41,000
Land at Throstle Bank / Furnace Street	Hyde	14/10/2015	42,500
Land at Johnsonbrook Road / Ashton Rd	Hyde	07/10/2015	18,000
Mottram Court House (lost deposit at auction - buyer withdrew)	Longdendale		6,000
Compton Street Car Park	Stalybridge	08/10/2015	20,000
Cross Hope Street Car Park	Ashton	22/10/2015	10,000
Land at Hope Street	Dukinfield	22/10/2015	27,000
Grey Street, Car Park	Stalybridge	22/10/2015	31,000
Field Street, Car Park	Hyde	22/10/2015	49,000
Land at Huddersfield Road	Stalybridge	22/10/2015	45,000
Hallbottom Street Car Park	Hyde	22/10/2015	7,500
Wimpole Street	Ashton	22/10/2015	14,000
Land at Queens Road	Ashton	22/10/2015	35,000
Total excluding Stamford High School			820,000
Total with anticipated Stamford High School			5,070,000

*Completion imminent

Leases Completed

Property		Purchaser / Future Use	Annual Lease Payment (Forfeited) / Achieved
Werneth House	Hyde	Management Association	5,000

- 4.5 As further disposals and leases are completed, the above list will be updated.
- 4.6 **Appendix 1** provides additional information in respect of properties that have identified for disposal or where tenants have sought to acquire the freehold of the properties that they lease.
- 4.7 Properties being actively marketed for sale or lease, will be advertised on the Council's website, in addition to the marketing agents sites. Where potential disposals will impact on tenants, for example sale of garage or garden plots, which have become too expensive to administer, written notification will be given to tenants in advance for the proposed sale.

5. TIP AND PFI COMPANY RESIGNATION AND APPOINTMENT OF DIRECTORS

- 5.1 The Council has a 10% investment in the TIP, known as inspiredspaces Tameside Limited and a 45% share of the investment in inspiredspaces (ProjectCo1) Limited, inspiredspaces (ProjectCo2) Limited, inspiredspaces Tameside (Holdings1) Limited, and inspiredspaces Tameside (Holdings2) Limited,
- 5.2 The Council is required to appoint a director and alternative director to the five companies. Steven Pleasant Chief Executive is the Council's representative Director and Elaine Todd, Assistant Executive Director, Asset and Investment Partnership Management was the alternate director.
- 5.3 It is proposed that Robin Monk as Executive Director for Place is a straight replacement for Elaine Todd as Steven's Pleasant Alternate Director and her position on the five boards.
- 5.4 Noting that any director fees payable are not paid to the officers but used to support the BSF affordability.

6. CCTV

- 6.1 The demolition of TAC meant that the Authority needed to re-establish a centre for the CCTV operation. The Authority has ceased the operations of the existing CCTV service and put in place interim measures as a result of the closure of TAC. The system incorporated a central support room and 99 camera's with potential to expand to 160 camera's.
- 6.2 A solution has been developed to deliver the CCTV solution with the programme expected to finish installation by Mid-December. The cost of this would be £849,488, and a request is made to SCP to allocate this sum to the project from the capital programme. **Appendix 2** sets out the business case, scope and programme of the solution required.

The future vision for CCTV.

- 6.3 The management of CCTV will be the responsibility of the Adult Management who currently manage the Community Response and Emergency Control. The Aim is to bring the services together within a period of time.

- 6.4 The new control room will have a range of facilities that will allow it to become a business that will income generate. We therefore need a good marketing strategy in place that will allow us to bring business in to the organisation.
- 6.5 The benefits of bringing these services together will allow us to have a flexible workforce which will be cost effective and efficient, this will be achieved by flexible rotas and multi skilling staff. For example It would only require 2 staff on throughout the night to manage all the functions, instead of 3/4.
- 6.6 Bring all external contacts back in which are currently costing in excess of 60K. I have not got the actual figure unfortunately.
- 6.7 A charging structure needs to be in place with a range of options which would give different levels of service to meet the needs and requirements of the customer.
- 6.8 Partnership with the Police will be encouraged however there will be cost's attached so negotiations will need to take place and service level agreements will be crucial.
- 6.9 The CCTV has the ability to be cost neutral within two years, but will also have the capacity to make a profit that could be invested in other business opportunities. A full business plan will be provided for the next Strategic Capital Panel and/or Cabinet setting out how it will be cost neutral.

7. RECOMMENDATIONS

- 7.1 These are set out at the front of the report.

APPENDIX 1

List of Property Identified for Disposal but Not Completed at 15 November 2015

Property	Purchaser / Future Use	Estimated Sale Price £	Annual Lease Payment (Forfeited) / Achieved
Land at Egerton Street	Mr Hampton – freehold reversion	30,000	
Land rear 5-9 Seel Street, M66 Highways settlement – receipt	Access covenant	17,500 75,000	
Gorse Hall Former Day Centre	Offer received from Mr Stringer children's day nursery	150,000	6,000
Edge Lane, Droylsden	Arcon Housing – (Affordable Housing)	36,666	
Kynder St, Denton	Originally transferred to NCHT for affordable housing on the basis of a deferred capital receipt - NCHT have now requested that they are permitted to charge against the properties which will trigger early repayment of the capital receipts	110,880	
Cavendish Street		141,960	
Katherine House		296,849	
Wakefield Road		126,477	
Wellington Road		251,409	
Lake Road		166,540	
Land at Charlestown Industrial Estate, AUL		Berkeley (UK) Limited	50,000
Garage site at Botany Lane	Ashton Central Mosque Trust - Car Park	55,000	(2,500)
Wilshaw Lane Ashton former school site	Shree Ram Mandeer- proposed temple site	250,000	
Manchester Road, Hyde	Site being retained for pilot housing development	212,500	
Ashton Hill Lane, Droylsden	Being marketed – interest received	275,000	
Denton Nursery	Unsolicited Offer received from two housing developers	TBC	
Unit 2 Rassbottom Street	Car Clinic - 99 year lease	235,000	
Marie Close, Denton	Dave Godfrey	25,000	
1 Pickford Lane	New Charter interest - affordable housing	180,000	
Carr Rise, Grazing Land	Mr Charnock	4,000	
Carr Rise, Grazing Land	Ian Cowley	4,000	
Land at Boundary Close	Mr and Mrs Chandler	6,500	
Land rear Trafalgar Square	Dave Godfrey	20,000	
Land at Windsor Road Denton	Interest received from Wain Homes	TBC	
Johnson Brook Road, Hyde	Interest received from New Charter Housing – site access licences issued to enable investigations to be undertaken	350,000	
Spring Gardens, Hyde		410,000	
St Mary's Road, Hyde		175,000	
Leigh Fold, Hyde		250,000	
High Street, Stalybridge		190,000	
Pine Road, Stalybridge		250,000	
Pickford Lane, Dukinfield		180,000	

Hawthorn Road, Denton		410,000	
Land adj Boundary Cottages, Mossley	Potential disposal at auction in November 2015	20,000	
Land adj 23 Providence Street, Ashton		10,000	
Land adj 15 Lodge lane, Dukinfield		10,000	
James Howe Mill		200,000	
Garage site, Bostock Road, Longdendale		35,000	
Former Hartshead High School		Outline planning application being developed	TBC
Former Mossley Hollins School	TBC		
Former Samuel Laycock School	Interest from New Charter for affordable housing – potential cash receipt	TBC	
Former Littlemoss High School	Outline planning application being developed	TBC	
Former Two Trees High School	Outline planning application being developed	TBC	
Former Sunday School, Taunton Road, Ashton	999 year lease tenants want to hand back building needs demolishing circa £90,000 cost	250,000	
Crown Street, Car Park	Potential offer for new offices	145,000	
Former Hyde Library / Union Street building	Interest for use as medical centre progressing	TBC	
Longdendale Children's Centre	Interest from nursery provider	TBC	
Land at Bombay Street, Ashton under Lyne	Sale at December 2015 auction	TBC	
Land at Jersey Street, Ashton under Lyne		12,000	
Deal Square Garage Site		8,000	
Land at Huddersfield Road, Stalybridge	Freehold reversion	65,000	
Land rear of 27 Poplar Grove	J Detheridge, Garden Extension	2,200	
St James Children's Centre	Interest from nursery provider	TBC	
James Howe Mill	Sale at December 2015 auction	200,000	
Audenshaw Cemetery Lodge.	Sale at December 2015 auction	95,000	

APPENDIX 2

CCTV BUSINESS CASE

Background

The Authority has ceased the operations of the existing CCTV service and put in place interim measures as a result of the closure of TAC. The system incorporates a central support room and 99 camera's with potential to expand to 160 camera's.

Procurement Route

The Authority selected the Eastern Shires Purchasing Organisation (ESPO) framework for the procurement of the CCTV systems. The framework is available to all public sector organisations and is an established route for CCTV procurement.

The ESPO framework includes rates for equipment and services which have been subject to competitive testing.

To further ensure value for money was achieved in the procurement, the Authority appointed a specialist consultancy, RJH Ltd, to overview the procurement and test the various items supplied against recently tendered local authority contracts in Wrexham and elsewhere. RJH are also confirming that key programme milestones have been achieved by the preferred supplier.

The summary brief provided for the CCTV system is shown below;

Brief and Specification

- Form a new CCTV Control Room at the identified location in Dukinfield Town Hall. This is to comprise of a new control room with secure entrance, toilet, mess area, communications room and manager's office.
- Works will include building alterations, lighting, air-conditioning and decoration etc.
- Supply and install new ergonomic control room furniture including operator desks, and monitor wall etc.
- Supply and install new IP based Security Management System (SMS) including camera control, digital recording, virtual matrix, monitor displays and all associated interfacing. The SMS must provide full audit trail of all operator actions and have the ability to provide customised reports and graphical information.
- Include within the design for additional future proofing features including resilience, capacity for easy expansion and remote control facilities to enable links to other surrounding Local Authority camera systems.
- Facilitate and manage the re-routing of existing camera images and associated telemetry control to the new CCTV Control Room (via specialist transmission subcontractors Metronet, British Telecom, or a combination of both) using the most cost effective means available.
- Provide a structured transfer of cameras from the existing control/monitoring facilities to the new with minimised camera down-time and maximised continuity of recorded evidence throughout the changeover period.

Future Proofing & Value Add Features

TMBC have identified that they may have future requirements for the CCTV System to provide the following:

- Links to remote CCTV Systems
- Links to other Council CCTV Systems
- Facilitate future traffic enforcement subject to enforcement system details
- Provide other revenue generating opportunities

The preferred supplier is Quadrant Services Group (QSG).

The current Maintenance agreements that are place between TMBC, QSG will remain in place and run until 2017 as a minimum.

The Solution

The proposed Synectics Synergy3 system has extensive capabilities for links to remote systems both as standard and also via the addition of optional interfacing should further future links be required, this could also include the integration of the existing Careline solution if required.

QSG proposal is based around the same core Synectics equipment as currently employed at Oldham MBC, Greater Manchester CC, Salford CC and Bolton MBC. Consequently, links to these CCTV Systems is readily achievable and could provide the maximum available level of integration for future development.

Staff training for the new system is to take place on 25/26th November 2015.

Programme

The programme had expected to be completed for mid-December 2015 but due to the progress made it is now expected that handover will be the first week of December 2015.

A copy of the programme is attached for reference.

Cost

The cost is split into 3 key elements;

1. Technical solution
2. Control room enabling works
3. Transmission costs for each camera

<u>PRICING</u>	£	p
LOT 1 - Technical Solution		
Designed New Synergy3 Solution Dukinfield Town Hall (inc ADPRO Remote Monitoring Upgrade)	416,226	00
LOT 2 – Control Room Suite Development	156,485	00
LOT 3 – Transmission		
a) BT Relocation	53,856	00
b) Metronet Relocation	55,072	00
c) Private Fibre, Private Wireless, Co-axial Transfers (for Cameras)	86,429	00
d) Annual rental for “item c)” transfers	15,429	00
e) Additional Ethernet (TFGM, Military Museum & Adpro)	33,475	00
f) Annual rental for “item e)” additional Ethernet	4,286	00
g) Conversion of BT Circuits to Metronet (replaces “item a)”	Removed	00
h) Annual rental for “item g)” conversions (replaces existing BT rental)	Removed	00
shown in G&H values this has now been corrected		

PERFORMANCE BOND	5,715	00
ALLOWANCE TO BE DESIGN & BUILD CONTRACT	21,515	00
ALLOWANCE FOR LOCAL AUTHORITY FEES OR CHARGES	1,000	00
TOTAL:	£849,488	00

The interim solution will be incorporated into the new system once handover takes place.