



Report to:	STRATEGIC PLANNING AND CAPITAL MONITORING PANEL
Date:	8 July 2019
Executive Member / Reporting Officer:	Councillor Allison Gwynne Executive Member for Neighbourhoods, Community Safety and Environment) Ian Saxon – Director of Operations & Neighbourhoods
Subject:	VISION TAMESIDE PHASE 2 - PROGRESS UPDATE
Report Summary:	<p>Vision Tameside is a flagship development for Tameside aiming to provide much needed economic growth and investment in the Borough's young people.</p> <p>This pioneering project, which is now complete, comprised of the delivery of a new 7,000 m2 Advanced Skills Centre for Tameside College, a new Joint Public Service Centre for Tameside Council and its partners and retail space for Wilko's.</p> <p>Based on Wellington Road, Ashton-under-Lyne on the former site of the Tameside Council administration building, the new Joint Public Service Centre, named Tameside One, provides residents with more cost effective and customer friendly facilities under one roof.</p> <p>The aim of this report is to provide an update on the successful completion of the construction project.</p>
Recommendations:	<p>That Members consider the content of the report and recommend the following to Executive Cabinet:</p> <ol style="list-style-type: none"> Note the successful completion of the Vision Tameside Phase 2 construction project. Approve the virements set out in Table 1 in Section 4 of this report.
Corporate Plan:	The Vision Tameside Programme supports the delivery of the Corporate Plan.
Policy Implications:	In line with approved policy.
Financial Implications: (Authorised by the statutory Section 151 Officer & Chief Finance Officer)	Executive Cabinet, in March 2019, approved an overall Vision Tameside project budget of £62.99m. The programme spend is still within the approved budget envelope. Some virements are required within the individual elements and approval is required. A final cost statement will be presented later in the year, any risks and subsequent costs will need to be managed going forward.
Legal Implications: (Authorised by the Borough Solicitor)	<p>The key purpose of the report is to provide an update on progress.</p> <p>Whilst practical completion has occurred, the Council must ensure that contractual protection via warranties is resolved – they are currently outstanding with the LEP's solicitors.</p> <p>The Council also needs to put in place the leases with Wilkos, the College and DWP; and relevant contractual arrangements with other occupiers.</p>

Members should ensure they understand the proposed virements to ensure they can agree value for money is maintained, although it is noted they do not affect the overall budget position, within which the project remains.

- Risk Management:** Risk management is addressed within the body of the report.
- Access to Information:** The background papers can be obtained from the author of the report, Ian Saxon.
- Background Information:** The background papers relating to this report can be inspected by Contacting:
-  Telephone: 0161 342 3470
-  e-mail: ian.saxon@tameside.gov.uk

1. INTRODUCTION

- 1.1 Vision Tameside is a flagship development for Tameside aiming to provide much needed economic growth and investment in the Borough's young people.
- 1.2 This pioneering project, which is now complete, comprises of a new 7,000 m2 Advanced Skills Centre for Tameside College, a new Joint Public Service Centre for Tameside Council and its partners and retail space for Wilko's.
- 1.3 Based on Wellington Road, Ashton-under-Lyne on the former site of the Tameside Council administration building, the new Joint Public Service Centre, named Tameside One, also provides residents with more cost effective and customer friendly facilities under one roof.
- 1.4 In February 2014, Genecon, a nationally recognised company specialising in economic and place making confirmed that the programme had a sound Strategic, Economic and Commercial business case. The business case highlighted the need to invest in Further Education, to improve the skills and learning facilities in the Borough.
- 1.5 The report also pointed out the Council Offices in Ashton-under-Lyne cost circa £2 million per year to run, including day to day repairs. The building was 70% larger than required for staff and partners and was facing a cost of £4 million repairs to maintain health and safety requirements as well as a further £8 million cost of refurbishing toilets, kitchens, flooring, decorating, and roofing repairs and costs to improve Disability Discrimination Act access requirements.
- 1.6 The economic business report highlighted that the programme was expected to generate net additional GVA benefits of over 140 million over a 30 year project lifetime, including additional employment from the construction and additional staff employed in the College and in retail as well as increased expenditure in local business in the town centre.
- 1.7 It is the Council's intention to revisit the strategic business case, in 12 months' time, in order to review the economic impact and benefits of the Vision Tameside Phase 2 project.
- 1.8 This report provides further information on the successful completion of the construction project.

2. PROGRESS UPDATE

- 2.1 The Vision Tameside Phase 2 project achieved Practical Completion on the 15 February 2019 as certified by Currie and Brown – the LEP and Council's Independent Certifier.
- 2.2 A 2 / 3 week demobilisation period commenced immediately following Practical Completion to allow for dismantling the site compound, making good of the external areas and completing works to provide safe temporary access and servicing to the building.
- 2.3 A phased re-occupation of the building commenced, following practical completion, on the 15 February 2019.
- 2.4 The Council Offices opened for business on the 4 March 2019. Services being offered within the new Tameside One include – Ashton Library, Tameside Customer Services, Citizens Advice, Cash Box Credit Union and Job Centre Plus. The building is also occupied by a wide range of staff from Tameside Council and Tameside and Glossop CCG.

- 2.5 Tameside College opened their doors to 600 students on the 25 March 2019. This is phase 1 of the College occupation of their building – additional departments will be occupying later in 2019.
- 2.6 Wilkinson's are currently fitting out their new store and are scheduled to open on the 10 July 2019.
- 2.7 The Council is in the final stages of the procurement for the Café concession which will be located in the library area of Tameside One on the ground floor.
- 2.8 The Council's Legal Services, Estates and Finance teams are co-ordinating negotiations on leases required with Tameside College, Wilkinson's and Department of Works and Pensions for their occupation of the new building.
- 2.9 Completion of the construction of Tameside One was a further stage of the wider redevelopment plans for the area. The next stage will be to deliver the public realm around the new developments.

3. PUBLIC REALM PROGRESS UPDATE

- 3.1 The Ashton Town Centre Public Realm project will contribute significantly to the delivery of the Strategic Objectives of the Vision Tameside programme as it will help create benefits in five broad areas:

- Stimulation of private sector investment
- Making the town centre better connected and more easily navigable
- Encouraging greater levels of footfall and improved physical health
- Making the town centre more attractive to visitors and tourists
- Increasing civic pride, raise aspirations and sense of well being.

- 3.2 Previous reports have highlighted that in order to achieve the Council's ambitious plans to deliver a high quality well-connected setting for the new developments four Key Design Objectives need to be achieved:

Objective 1	Improve pedestrian accessibility and environment of Wellington Road between the new developments
Objective 2	Improve pedestrian crossing, safety and experience between the Transport Interchange and new developments
Objective 3	Improve the quality of the urban environment
Objective 4	Lower traffic speeds on Wellington Road

- 3.3 All four objectives remain valid and following completion of Tameside One work started immediately on the delivery of improved public realm along Warrington Street.
- 3.4 A detailed public realm programme, for all other elements of work, is currently being developed and will be shared at a future meeting. This programme will include the completion of the second phase of works to Ashton Market Square.

4. FINANCIAL IMPLICATIONS

- 4.1 Following the liquidation of Carillion a revised funding envelope was agreed at Executive Cabinet in March 2019 for the overall Vision Tameside project. The revised budget approved was £62.99m. This budget includes provision for the total construction costs, elements of the public realm and other costs associated with the project for example decant, recant and contingency costs.
- 4.2 Following the collapse of Carillion all costs, associated with the delivery of the Vision Tameside Phase 2 project, have been externally validated by Cushman and Wakefield. Their role has been to undertake Value for Money Assessments and Project Monitoring thus ensuring the Council's fiduciary duty to the public purse has been protected.
- 4.3 Final budgeted costs, for the Vision Tameside Phase 2 project, will be reported later in the year. This report will be supported by a Value for Money assessment, produced by independent financial assessors Cushman and Wakefield.
- 4.4 **Table 1** below provides details of the current budget position for the Vision Tameside Phase 2 programme and the required virements as the project draws to a conclusion. This ensures that the overall spend of the programme stays within the approved funding envelope.

TABLE 1

Budget Heading	Revised Budget February 2019 Cabinet Report	Latest Invoiced Cost Position as at 22/05/19	Current Remaining Budget	Projected Outturn 22/05/19	Total Variation from Budget and Required Virements
	(£000)	(£000)	(£000)	(£000)	(£000)
Construction Contract	32,006	32,006	0	32,006	0
Construction Agreed Change Orders	230	231	0	230	0
Robertson Cost to Complete	15,081	15,265	(184)	15,943	862
Additional LEP Costs to Complete	502	156	346	424	(78)
Total Construction Cost	47,819	47,657	161	48,603	785
Demolition	3,303	3,249	54	3,249	(54)
Total Construction and Demolition Costs	51,121	50,907	215	51,853	731
Project Costs Outside of LEP Contract	11,551	6,580	4,970	11,137	(413)
Project Costs Before TMBC Contingency	62,672	57,487	5,185	62,990	318
Project Contingency and Insurance	318	0	318	0	(318)
Total Project Costs	62,990	57,487	5,503	62,990	0

FUNDING					
SFA grant	(4,000)	(4,000)	0	(4,000)	0
Cost paid by partners for furniture (CCG)	(265)		(265)	(265)	0
Cost paid by partners for furniture (DWP)	(118)		(118)	(118)	0
Corporate Council funding capital	(57,524)	(42,806)	(14,718)	(57,524)	0
Corporate Council funding revenue	(550)			(550)	0
College funding for change orders	(200)	0	(200)	(200)	0
Insurance monies	(195)	0	(195)	(195)	0
Ashton Town Hall funding of Hoardings	(18)	0	(18)	(18)	0
DWP funding for change orders	(120)	(25)	(95)	(120)	0
Total funding available	(62,990)	(46,831)	(15,609)	(62,990)	0

- 4.5 Any further income due from partners will be reported when all costs have been finalised.
- 4.6 Ongoing revenue costs of the new Tameside One building are still being evaluated and assessed together with any service charge income that will be due from Partners.

External Funding

- 4.7 The Council received a formal funding agreement from the Greater Manchester Combined Authority (GMCA), dated 13 September 2016, for £4,000,000 Skills Capital funding.
- 4.8 The GMCA issued a Deed of Variation on the 3 October 2018 to amend the longstop date, to 31 March 2019, under the original grant agreement.
- 4.9 The Council has now claimed the full £4,000,000 towards the construction costs.
- 4.10 The Council continues to work with the GMCA and monitor the GM Skills Capital Funding available to local areas to ascertain availability and future processes for accessing additional resources beyond the £4,000,000.

5. RISK ASSESSMENT

- 5.1 The primary high-level risks, impacts and mitigation to the project are set out in the table below:

Risk	Impact	Status
Financial	Inability to complete the project within the approved funding envelope.	The costs remain within the approved funding envelope. Awaiting final account. ONGOING
Programme	Delay to construction programme.	Project delivered in line with the revised and approved programme following the liquidation of Carillion. COMPLETE
Community and	Reputational damage with	Communication has been managed

Stakeholder	the local community and stakeholders.	corporately to ensure timely and consistent news has been shared widely using a variety of communication methods. COMPLETE
Economic	Non-realisation of the anticipated economic benefits from the project.	The benefits of the project will be realised and set out in a future report once a full evaluation of the project has been undertaken. ONGOING
Education	Major disruption to Tameside College's operations for the 2018 / 2019 academic year.	The College started to deliver their curriculum, from Tameside One, on the 25 March 2019 as planned. COMPLETE

6. CONCLUSION

- 6.1 The liquidation of Carillion on the 15 January 2018 has had a negative impact on the Vision Tameside Phase 2 costs and programme.
- 6.2 However the Vision Tameside Phase 2 project was successfully completed in line with the original vision and revised budget and programme on the 15 February 2019.
- 6.3 The development is expected to bring additional footfall and vitality into Ashton Town Centre. Early measurable benefits already include an increase in the number of residents using the new relocated central library. The library has welcomed over 1000 customers every working day since opening. This is an increase of 45% against previous year's figures and includes 25 new members per day.
- 6.4 The programme has brought state of the art college facilities into Ashton Town Centre and has increased the number of learners staying in Tameside.
- 6.5 It is the Council's intention to revisit the strategic business case, in 12 months' time, in order to review the economic impact and benefits of the Vision Tameside Phase 2 project.
- 6.6 Works are underway to complete the public realm around the new developments. A more detailed report will be presented at a future meeting.

7. RECOMMENDATIONS

- 7.1 As set out at the front of the report.