

**Report to:** STRATEGIC PLANNING AND CAPITAL MONITORING PANEL

**Date:** 6 July 2020

**Executive Member / Reporting Officer:** Executive Member (Neighborhoods, Community Safety and Environment)  
Jeanelle de Gruchy, Director of Population Health

**Subject:** LEISURE ASSETS CAPITAL INVESTMENT PROGRAMME UPDATE

**Report Summary:** This report provides a summary of progress to date in relation to the delivery of the Council's capital investment programme to improve sports and leisure facilities approved by Executive Cabinet on 24 March 2016.

**Recommendations:** The contents of the report to be noted.

**Corporate Plan:** The Community Strategy 2012/22 (and the Corporate Plan Our People Our Place Our Plan) outlines the priorities for improving the Borough. The Leisure Assets Capital Investment Programme directly links to the Tameside Sustainable Community Strategy objective of 'Healthy Tameside'. The scheme supports each of the Corporate Plan themes including Starting Well, Living Well and Ageing Well supporting people to live longer and healthier lives through increased opportunities to be physically active.

**Policy Implications:** The Leisure Assets Capital Investment Programme supports the Tameside Corporate Plan and specifically the 'Increase Levels of Physical Activity' priority.

**Financial Implications:** (Authorised by the statutory Section 151 Officer & Chief Finance Officer)

**Financial Comments**

Active Hyde Pool Extension: As set out in section 3.1 of this report, there remains a risk that social distancing requirements may result in a delay to completion of this scheme, resulting in a claim for additional costs from the contractor. However, it should be noted that the costs associated with any Covid related delay will not be met by the Council where there isn't a contractual obligation to do so

Tameside Wellness Centre: As set out in section 3.3 of this report, modifications to the scheme were required towards the end of the project which may result in additional costs in excess of the approved budget and a pressure on the Capital Programme. This will be the subject of a further report once the final account has been agreed.

Denton Baths Site Clearance: Section 3.4 of this report, gives an update on the progress of the site clearance. Plans and costings for demolition and site clearance are currently being obtained. A further report is expected in August 2020 to request approval and budget for the demolition and clearance of the site.

The Council's capital programme ambition is currently unsustainable. The current committed programme requires £18.8m of corporate resources, with only £14.6m available in reserves, leaving a £4.2m shortfall which needs to be met from the proceeds from the sale of surplus assets, or decisions made to

reprioritise the capital programme. Whilst this report is not identifying significant cost pressures at this stage, incremental cost pressures across a number of schemes will soon result in substantive additional resource requirements. Any cost pressures arising as a result of Covid-19 or other factors will increase the resources needed to deliver the approved programme, and the current shortfall of £4.2m will increase.

The broader ambition of the Council points to a further requirement of £33.2m of corporate funding to pay for schemes identified as a priority and subject to future business cases. Clearly these will be unable to progress until additional capital receipts are generated. The Growth Directorate are reviewing the estate and developing a pipeline of surplus sites for disposal.

**Legal Implications:  
(Authorised by the Borough  
Solicitor)**

This is a high level overview report to provide Members with a general update on a number of projects.

Each of those projects will be subject to their own due diligence, governance and decision making.

In considering this report Members need to be mindful of the impact that the covid pandemic may have on leisure and the Council's priorities generally.

The role of the Panel is to ensure that any projects agreed under the Council's capital programme are delivered on time and on budget and if they are impacted adversely in any way to understand why and to be assured that sufficient focus is being made to get back on track whilst meeting the Council's statutory requirements to deliver a balanced budget and ensure delivering vfm. Members need to be satisfied that the reports and information provided to them enables them to make that judgment and if not to ask for further information and assurance.

**Risk Management:**

Risk management is considered in section 4 of this report

**Background Information:**

The background papers relating to this report can be inspected by contacting Paul Smith



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## 1. INTRODUCTION

- 1.1 This report provides a summary of progress to date in relation to the delivery of the Council's capital investment programme to improve sports and leisure facilities approved by Executive Cabinet on 24 March 2016. The investment programme is now providing high quality sports and leisure facilities creating a platform to increase physical activity and supporting the development of a sustainable funding model for Active Tameside.
- 1.2 Additional benefits from the programme include a reduction in dependence on other Council and health related services, increased participation in community life and improved quality of life for all residents including the most vulnerable.
- 1.3 Approval for any capital re-phasing highlighted in this report will be dealt with in the Capital Monitoring Report presented to the Executive Cabinet.

## 2. PROGRAMMME UPDATE – COMPLETED SCHEMES

- 2.1 The Leisure Assets Capital Investment Programme comprises a number of individual projects.

### **The following schemes have been completed:**

- a. Active Copley heating system replacement (£0.369m).
- b. Active Copley pitch replacement scheme (£0.177m).
- c. Active Medlock roof replacement scheme (£0.120m).
- d. Active Dukinfield development (ITRAIN) – (£1.3m Council investment & £1m repayable loan by Active Tameside).
- e. Active Longdendale Development (Total Adrenaline) – (£0.600m repayable loan by Active Tameside).
- f. Active Medlock Synthetic Turf Pitch Replacement (£0.120m).
- g. East Cheshire Harriers Floodlight Replacement Scheme – (£0.100m)
- h. Tameside Wellness Centre (£16.374m)

## 3. PROGRAMMME UPDATE – LIVE SCHEMES

- 3.1 **Active Hyde Pool Extension (£4.034m)**- The Hyde Pool extension scheme was procured by the Local Education Partnership (the LEP) on behalf of the Council. The capital budget for the scheme was approved by Executive Cabinet on the 25 September and now stands at £4.034m, which is in keeping with the projected scheme cost. The LEP has progressed the scheme to a point where the contracts, including the Head Contract with the Council and the Deed of Appointment for the Independent Certifier, have been signed. The scheme commenced on site in February with completion due in March 2021. Progress on site is currently in keeping with the agreed programme which to this point has been largely unaffected by Covid 19 restrictions. Work to date has been predominantly outdoors including excavation, drainage and foundations. As an all risks project they are continuing to manage within the contract.
- 3.2 **Tameside Wellness Centre (£16.374m)** - The Tameside Wellness Centre scheme was approved by Council on 2 May 2017. Construction began in November 2018 with the building officially opened on 2 March 2020 approximately 4 weeks ahead of programme. The scheme value is £16.224m (£13.674m Council investment, £1.5m Sport England grant and a £1.050m grant to Active Tameside).
- 3.3 The building subsequently closed on 23 March 2020 in response to Government guidance on the Covid 19 pandemic. The building remains closed until the existing restrictions are

lifted or modified. The building is currently in its 12 month defects liability period. The closure period is being utilised to deal with a small list of outstanding defects.

The final account for the scheme is currently under review with the Council's independent client advisor, Cushman and Wakefield.

- 3.4 **Denton Baths Site Clearance** - On 27 March 2019, Executive Cabinet authorised the Director of Growth to permanently close and clear the Active Denton (Denton Pool) site when the new Tameside Wellness Centre opens on 2 March 2020. The clearance of the site is time critical due to the need to minimise the time between closure and clearance and also minimise the visual impact on the town centre. Based on the March 2019 Executive Cabinet approval the LEP has been commissioned to develop plans for the site clearance including the procurement of surveys, asbestos removal and demolition. A planning application has been submitted and detailed surveys are now under way. The completion of the pre demolition asbestos survey is a key element in determining the overall cost of the site clearance. The survey confirms that there is significant amount of asbestos within the building, which needs to be safely removed in advance of the demolition. Based on the asbestos survey and other survey information conducted thus far the LEP has produced a high level cost plan and procured a price from the open market. This will need governance including full planning permission to demolish to progress subject to the cost implications and impact on the Capital Programme.

#### **4. RISK MANAGEMENT**

- 4.1 The major risks associated with all capital schemes include funding, increasing costs and time delays occurring during the development and delivery phases. The Council continues to manage and monitor schemes using robust project management methodology and governance to mitigate these risks.
- 4.2 The impact of Covid 19 on the delivery of schemes continues to be monitored. To date there has been no direct financial impact on the capital projects.

#### **5. CONCLUSIONS**

- 5.1 All schemes are now complete apart from the extension at Hyde Pool, which is currently on time and on budget, and the site clearance of Denton Baths.

#### **6. RECOMMENDATIONS**

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