

Report to: Strategic Planning and Capital Monitoring Panel

Date: 14 September 2020

Executive Member: Councillor Oliver Ryan - Executive Member (Finance and Economic Growth).

Reporting Officer: Jayne Traverse, Director of Growth

Subject: **GROWTH UPDATE REPORT**

Report Summary: This report provides an update, on the 2020/21 Growth Capital Programme and sets out details of the major approved capital schemes in this Directorate.

Recommendations: That Members note the report and recommend to Executive Cabinet that the following be added to the approved Council Capital Programme Statutory Compliance expenditure of £143,353 which was urgent and unavoidable and scheduled at **Appendix 2** including £7,000 additional required spend on Hartshead Pike as set out in the report.

Corporate Plan: The schemes set out in this report supports the objectives of the Corporate Plan.

Policy Implications: In line with procurement and financial policy framework.

Draft Financial Implications: Corporate Landlord – Capital Expenditure

(Authorised by the statutory Section 151 Officer & Chief Finance Officer) The Capital Programme includes an earmarked resource of £0.728m for Property Assets Statutory Compliance works. Works to date in previous years have been reported to the Strategic Capital Panel retrospectively as completed. This report is requesting a further £143,353, as scheduled in **Appendix 2**, which includes £7,000 additional required spend on Hartshead Pike, from the above earmarked budget. If approved the remaining earmarked budget for Property Assets Statutory Compliance works would be £0.585m.

Continued work being undertaken by the Council, in regard to emergency repairs to Hartshead Pike has identified the requirement to undertake further work in regard to structural repair investigations. Previous governance agreed the sum of £61,000 for the work at the Pike be funded from the Property Assets Statutory Compliance Budget. In order to address the new immediate concerns relating to the floor support beams an additional £7,000 will be required. It is proposed that the additional cost of the works, is funded from the earmarked Property Assets Statutory Compliance Budget.

Section 106 Agreements and Developer Contributions

The S106 agreements must be spent within a specified deadline, the agreement will also detail the purpose of the contribution, and a record of this is maintained within financial management. A breakdown of the S106 and developer contributions funds currently held are shown in detail in **Appendices 3 and 4**.

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. 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 report provides a high level overview of the Council's growth capital programme.

In reviewing this report Members need to be content that this programme delivers the council's priorities and represents good value for the Council.

Members also need to be content that the management of these projects is even more robust than usual given the added risks posed by covid both in terms of delivery and costs.

As the report is seeking £143,353 retrospectively to the Capital programme members need to be satisfied that they were urgent and unavoidable and authority could not have been sought in advance of the work.

Risk Management:

This is covered in the content of the report

Access to Information:

Appendix 1	Capital budget allocation for Growth Directorate
Appendix 2	Schedule of urgent and unavoidable Statutory Compliance expenditure of £143,353 including £7,000 additional required spend on Hartshead Pike.
Appendix 3	The current position for s106 Agreements is £0.775m in credit, less approved allocations of £0.197m, leaving a balance available to drawdown of £0.578m, as at 31 July 2020
Appendix 4	The position for Developer Contributions as at 31 July 2020 was £70,000 £ in credit, less approved allocations of £42,000 leaving a balance of £28,000
Appendix 5	Details of new Section 106 Agreements

The background papers relating to this report can be inspected by contacting the report author Interim Capital Projects Lead, David Rhodes by:

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1. INTRODUCTION

- 1.1 This report provides an update on the major capital projects, within the Capital Programme owned by the Growth Directorate. It also provides an update on the prioritisation of business cases yet to be approved and formally included in the Capital Programme.
- 1.2 The Growth Directorate also plays a key role in the delivery of Capital projects with other directorates and these are covered by separate reports.
- 1.3 A summary of the budget is set out in **Appendix 1**.

2. APPROVED CAPITAL PROJECTS

Disabled Facilities Grant and Other Related Adaptation Funding

- 2.1 The current situation regarding progress with delivery of adaptations is listed in the table below as of end July 2020

Referrals received in year	91	Urgent and Substantial	From Adults and Children's Services
Approved schemes	113	Urgent and Substantial	Including 55 carried over from 2019-20. 6 approvals on hold due to Covid19
Completions to date	40	Urgent and Substantial	
Scheme currently being worked on – not yet approved	68	Urgent and Substantial	Including 16 on hold due to Covid19
Budget committed	£654,672	Value of schemes approved and ordered	Major and Minor Adaptations
Expenditure to date	£334,674	As per Agresso – includes minor works and fees	as at end July
Referrals awaiting allocation	13	Current waiting list for Substantial	Oldest referral is dated 01 June 2020
Referrals cancelled	9		6 Clients passed away. 1 cancelled due to carrying out their own work 1 due to re-assessment and 1 due to deciding to make their own application
Minor Adaptations Ordered	190	All tenures	Including 70 carried over from 2019-20
Minor Adaptations Completed	72	All tenures	

Non-adaptations

- 2.2 There are currently 4 schemes for Home Repair Assistance under preparation and a further 4 at the enquiry stage. Recently received enquiries have not progressed to a formal grant application due to failure to return the application form.
- 2.3 **Ashton Old Baths Phase 3**
Due to complete on the 12 Feb 2020. A 2-month delay due to Covid-19 was anticipated but the project is now approximately 4 weeks in delay. Currently there are no budget concerns.

Ashton Town Hall

- 2.4 Emergency repairs have mainly been carried out, but we are awaiting the outcome of the Listed Building Consent to complete. We should have a report from the LEP on the envelope scheme in late September and the feasibility study for the future use of the building is also due in September.

Hartshead Pike

- 2.5 Delivery/ installation of the stone lantern is expected late September 2020 (Weather permitting) with refurbishment works to the spire to follow and complete in October 2020.
- 2.7 Work includes investigating the condition of the floor support beams by exposing the beam ends before cleaning, treating and reinstating. Core samples will be taken for each of the floors to determine compressive strength along with a resin injection repair to a crack on the first floor. The work will provide essential information for the full restoration of the pike at some point in the future

Denton Pool Site Clearance

- 2.9 For reasons of health and safety the cost to remove asbestos, demolish the building and clear the site has been established, with the cost reviewed as part a Value for Money assessment. A request for capital funding to clear the site will be the subject of a separate report to Executive Cabinet.

Two Trees

- 2.12 For reasons of Health and Safety, estimated costs to remove asbestos, demolish the buildings and clear the site have been established. A request for capital funding will be the subject of a separate report to Executive Cabinet.

Proposed Godley Green Garden Village

- 2.13 The proposed Garden Village at Godley Green is the key strategic site for residential development in Tameside. The transformational change that is proposed by this development will help to satisfy the needs of current and future households across the spectrum of housing types and tenures, from affordable to executive homes as well as providing the step change required that will contribute to the re-balancing of the Tameside housing market.
- 2.14 The Council entered into a £10m Housing Infrastructure Funding (HIF) award for the Godley Green in December 2019. The Grant Funding allows for an early draw down of £720,000 supporting activity required to get to planning submission stage. An application will be submitted in November 2020 and is the next critical date for the project. The first claim for £300,000 has been made and received from Homes England. A detailed capital programme plan outlining the spending of the remaining £9.28 million grant is being developed and will then be added to the Council's capital programme.

Corporate Landlord – Capital Expenditure

- 2.15 This section of the report provides information in regard to of the corporate landlord capital expenditure in regard to statutory compliance repairs on the Councils buildings during the period covered by this report of April, May, June 2020 totaling £143,353. These costs are scheduled in **Appendix 2** and the service confirms that these were all urgent and unavoidable hence the approvals after the event.
- 2.16 The Council has a duty to ensure that its buildings provide a safe physical environment for staff and services to operate from. The monitoring and regulation of this is undertaken by a series of statutory checks across a range of requirements e.g. fire safety, asbestos management and electrical safety. These checks are carried out at fixed intervals and reports produced to state condition and also inform in regard to remedial works that need to be undertaken to ensure compliancy. These notified repairs and upgrades to building fabric and condition are the subject of this report.

- 2.17 In addition to compliance issues informed by the regular statutory checks there are in addition repairs and replacements identified during the day to day management of our buildings. These may be repairs and replacements brought about by one off events such as vandalism and extreme weather or they may be due to breakage or failure during normal operations. If the issue is deemed to be causing a serious risk it will require immediate rectification. Where the costs of replacement and repair are deemed to be of benefit in regards to the Councils capital assets then costs are met from the statutory compliance fund.
- 2.18 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.

Section 106 Agreements and Developer Contributions

- 2.19 This section of the report summarises the financial position as at 31 July 2020 with regard to receipts for Section 106 (s106) Agreements and Developer Contributions and makes comments for each service area. This is followed by clarification on new agreements made until this date and any requests made to draw down funding.
- 2.20 The current position for s106 Agreements is £0.775m in credit, less approved allocations of £0.197m, leaving a balance available to drawdown of £0.578m, as at 31 July 2020 as detailed in **Appendix 3**.
- 2.21 The position for Developer Contributions as at 31 July 2020 was £70,000 £ in credit, less approved allocations of £42,000 leaving a balance of £28,000 as detailed in **Appendix 4**.
- 2.22 Details of new Section 106 Agreements can be seen in **Appendix 5**.

Land Disposals

- 2.23 A revised policy on the disposal of council owned land, along with a list of initial sites is being progressed to September Cabinet.
- 2.24 The Council's surplus land disposal programme is highly likely to be impacted by COVID-19 due to changes within the housing market. Whilst no robust data is currently available, RICS estimate that the market is unlikely to pick up again until February 2021 which relates to the whole spectrum of a property transaction including cash flow, site preparation, borrowing restrictions and criteria, property visits and solicitor activity. Whilst we are still uncertain of market conditions as little activity has taken place in terms of land transactions, however we are confident that there is sufficient demand, irrespective of COVID for our largest sites, which shall generate the largest capital receipts
- 2.25 We are in the process of mapping all of our operational and non-operational assets with a view to accelerating our disposal plans and to have established a significant pipeline of assets to consider bringing forward for disposal over the coming years.

3. RECOMMENDATIONS

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

APPENDIX 1

Service Area Detail - Growth Growth Capital Programme

Capital Scheme	2020/21 opening capital budget £000	Approved 2020/21 budget re-profiling at P3 £000	Approved 2020/21 budget changes £000	Re-profiled 2020/21 budget £000	Re-profiled 2021/22 budget £000	Re-profiled 2022/23 budget £000
Development & Investment						
Ashton Town Hall	337	0	0	337	0	0
GODLEY HILL DEVELOPMENT AND ACCESS ROAD	110	0	0	110	0	0
LONGLANDS MILL	21	0	0	21	0	0
DISABLED FACILITIES GRANTS	2,332	(583)	0	1,749	583	0
Godley Garden Village	3,232	(1,342)	0	1,890	8,062	0
Housing Assistance	178	(78)	0	100	78	0
Hattersley Station passenger facilities	674	0	0	674	0	0
Ashton Old Baths Annex	3,427	0	0	3,427	0	0
Development & Investment Total	10,311	(2,003)	0	8,308	8,723	0
Corporate Landlord						
RETROFIT (BASIC MEASURES)	274	(137)	0	137	137	0
Statutory Compliance	61	0	0	61	0	0
Corporate Landlord Total	335	(137)	0	198	137	0
Estates						
MOTTRAM SHOWGROUND (OPF)	114	0	0	114	0	0
Estates Total	114	0	0	114	0	0
Growth Total	10,760	(2,140)	0	8,620	8,860	0

APPENDIX 2

STATUTORY COMPLIANCE EXPENDITURE - ITEMISATION OF SPEND

Building	Work Undertaken	Cost £
Hartshead Pike	Fabric Work	7,000
George Lawton Hall	Asbestos	419.44
Ashton Old Library	Fire Safety/Fabric/Asbestos	27187.13
Boyds Walk	Fire Safety	257.96
Heginbottom Mill	Fire Safety	5648.33
Stalybridge Civic	Fire Safety/Electrical Safety/ Fabric Works	6220.03
Denton Town Hall	Fire Safety	4514.31
Guardsman Tony Downes House	Fire Safety/Electrical Safety/ Fabric Works	11611.55
Droylsden Resource Centre	Electrical Safety	538.80
Ashton Market Hall	Fire Safety/Electrical Safety	3202.86
31 Clarence Arcade	Fire Safety	381.46
Concord	Fire Safety/Electrical Safety/ Fabric Works	1242.62
Hyde Town Hall	Fire Safety/Electrical Safety	1435.28
Tame Street Vehicle	Electrical Safety/Fabric Works	5121.35
Mossley Youth Base	Fire Safety	387.66
Droylsden Cemetery	Fire Safety/Electrical Safety/ Fabric Works	1560.91
Stalybridge Library	Lightening Protection /Fabric Works	1808.30
Park Bridge Visitors Centre	Fire Safety	1839.64
Birch Lane Family Support	Fire Safety	371.55
Ryecroft Hall	Asbestos /Gas Safety	33957.42
Dukinfield Library	Fire Safety	274.10
Fairfield Community Centre	Electrical Safety	361.39
Hyde Market Hall	Fire Safety/Electrical Safety/ Fabric Works	2014.63
Stamford Park Depot	Fire Safety/Electrical Safety	446.25
Tameside One	Fabric Works /Gas Safety	1735.00
Egemont Street	Gas Safety	280.11
Loxley House	Electrical Safety	981.19
Droylsden Library	Fabric Safety	321.00
Micklehurst Kitchen	Ventilation /Extraction Safety	14907.76
Archive Centre	Fire Safety	5648.34
Various Sites	Redcare Fire Safety	1677.09
	Total Spend	143,353

APPENDIX 3

SECTION 106 AGREEMENTS – FINANCIAL UPDATE

Section 106		Community Services	Engineering Services	Services for Children & Young People	Other	Total
		£000	£000	£000	£000	£000
S106 - Not yet earmarked	Brought Forward from previous years	(432)	(178)	(72)	(14)	(696)
	Received 2020/21	0	(79)	0	0	(79)
	Approved at previous SCP and included on Capital Programme	185	0	12	0	197
	Total not yet earmarked	(247)	(257)	(60)	(14)	(578)
	S106 - Not yet reached trigger point/Payment not yet received	(977)	(622)	(631)	(11)	(2,241)

APPENDIX 4

DEVELOPER CONTRIBUTIONS (SECURED PRIOR TO COMMUNITY INFRASTRUCTURE LEVY REGULATIONS)

Developer Contributions	Green Space Contribution	Community Education Contribution	Integrated Transport Contribution	4% Administration Charge	Totals
	£000	£000	£000	£000	£000
Brought Forward from previous years	(49)	(3)	(18)	0	(70)
Received 2020/21	0	0	0	0	0
Approved at previous SCP for release at year end	42	0	0	0	42
Total	(7)	(3)	(18)	0	(28)

APPENDIX 5

NEW SECTION 106 AGREEMENTS

- i. Planning application 19/00264/FUL – Scout Green Depot, 27 Manchester Road, Mossley, OL5 9QW

(Approved, 13 July 2020)

The application proposed the demolition of existing buildings and erection of 55no. dwellings with associated car parking and access arrangements

The application was first considered and approved by the Speakers Panel (Planning) at their meeting on 18 December 2019 subject to the imposition of conditions set out in the report and on the basis of the completion of a Section 106 agreement to secure the following:

- The provision of the informal open space as identified on the submitted site plan;
- A management plan for the public open space and surface water drainage infrastructure to be installed as part of the development;
- Details of the proposed access arrangement to serve the development – specifically the replacement bridge, a connection from the development to the existing footway network and the installation of a right turn lane within Manchester Road adjacent to the access into the site;
- A financial contribution of £63,898.44 is to be secured through the Section 106 Agreement towards the provision of an extension to St. George's C of E Primary School, Mossley
- A financial contribution of £50,000 towards improvements to Egmont Street link path and infrastructure through Scout Green and the replacement of junior/teen play equipment at Egmont Street playing fields; and,
- A commuted sum of £120,000 in lieu of the provision of an affordable housing unit on site

The application was referred to Speakers Panel (Planning) for a second time on 12 February 2020 to ensure a point of clarity was referenced to ensure a more robust decision. A condition attached to the original recommendation was amended and this was approved by the Panel.

The Section 106 agreement was signed on 7 July 2020 and the planning permission was issued on 13 July 2020.