

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

Date: 14 December 2020

Executive Member: Councillor Allison Gwynne - Executive Member (Neighbourhoods, Community Safety and Environment)

Reporting Officer: 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: The Council's existing approved capital programme as at September 2020 was £82.2m, with a further £2.985m of earmarked schemes expected to be approved. These schemes will require capital receipts of £8m from a forecast total of £15.3m based on the disposals approved in September 2020. Earmarked schemes currently not reflected in the figures above total £44.9m, with a forecast £33.2m of corporate funding from capital receipts needed to finance these schemes. Assuming that the planned disposals proceed there is a forecast balance of £7.343m of capital receipts to fund future earmarked capital schemes, meaning the broader capital ambition of the Council is currently unaffordable until such time as additional capital receipts are generated.

(Authorised by the statutory Section 151 Officer & Chief Finance Officer)

Active Hyde Pool Extension

As detailed in section 3.1 of this report, this scheme is currently reporting a completion delay of 5 weeks, the works are still forecast to be completed within the approved budget of £4.034m although £0.500m will be required to be re-profiled into 21/22.

Denton Wellness Centre

As reported in section 3.3 of this report, the final account for this scheme is under review with the Council's independent client advisor. Modifications to the scheme were required towards the end of the projects which may result in additional costs pressures, this is subject to a further report once the final account has been agreed.

Completed Schemes

Schemes to replace the synthetic turf pitch at Active Medlock and floodlight replacement at East Cheshire Harriers have been completed within budget.

Legal Implications: (Authorised by the Borough Solicitor)

This is a high level report to update Members on the progress being made on the remaining live projects. Any further decisions in relation to the on-going projects will be subject to their own due diligence, governance and decision making.

Members will note that that the value for money reports for the 2 outstanding projects are currently being prepared and will require consideration in due course.

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 - Assistant Executive Director, Debbie Watson – Assistant Executive Director.



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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)
- 2.2 Schemes a) to g) have been delivered within budget. The final account for the Tameside Wellness Centre scheme is currently under review with the Council's independent client advisor, Cushman and Wakefield.

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 scheme commenced on site in February 2020 with completion due in late March 2021. The LEP is now reporting a completion delay of 5 weeks with practical completion now due on the 30 April 2021. The main reason for the delay is Covid 19 restrictions causing in a slowing-down in the main contractors supply chain. The main contractor continues to review its programme in order to identify areas where time delays could be mitigated. The delay is considered to be a Relief Event under the terms of the contract therefore there is no compensation due to either party. A Relief Event refers to a risk, if the risk occurs, the contractor will be excused for under-performance or even breach of obligations (that resulted from the event, but no financial compensation is granted). For example, time delays in the case of unforeseen pandemic.
- 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. With the partial lifting of restrictions, elements of the building reopened on the 27 July. In response to further government guidance the centre closed again on the 4 November and will reopen at the end of the current national lockdown. The building is currently in its 12-month defects liability period. The closure period has been used 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. This will be the subject of a further report which will also include the likely final account for the Hyde Pool Extension scheme. The balance of the Sport England grant funding, (£0.045m), will be drawn-down by the Council at the end of the defects liability period.

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 leisure capital projects.

5. CONCLUSIONS

- 5.1 All schemes are now complete apart from the extension at Hyde Pool, which is currently within budget.

6. RECOMMENDATIONS

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