

CABINET
19/11/2018 at 6.00 pm



Present: Councillor Fielding (Chair)
Councillors Chadderton, Chauhan, Jabbar, Jacques, Mushtaq,
Roberts and Shah

1 **URGENT BUSINESS**

There were no items of urgent business received.

2 **DECLARATIONS OF INTEREST**

There were no declarations of interest received.

3 **APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillor Ur-Rehman.

4 **PUBLIC QUESTION TIME**

There were no public questions received.

5 **MINUTES OF PREVIOUS MEETING**

RESOLVED that the minutes of the Cabinet meeting held on 22nd October 2018 be approved as a correct record.

6 **REVENUE MONITOR AND CAPITAL INVESTMENT
PROGRAMME 2018/19 QUARTER 2 - SEPTEMBER 2018**

The Cabinet gave consideration to a report of the Director of Finance which provided them with updates on the Council's 2018/19 forecast revenue budget position and the financial position of the capital programme as at 30 September 2018 (Quarter 2), together with the revised capital programme 2018/22.

With regards to the Revenue position, Members were informed that the current forecast outturn position for 2018/19 was a projected favourable variance of £0.099m after allowing for approved and pending transfers to and from reserves.

The most significant area of concern was the People and Place Portfolio, in the main due to the transfer of Children's Social Care into this area. An update on the major issues driving the projections within this Portfolio was provided.

Cabinet was informed that action was being taken and would continue for the remainder of the financial year to address variances and take mitigating action.

The overall corporate position was being managed by offsetting favourable variances, most noticeably from capital, treasury and corporate accounting budgets, in part caused by the anticipated cost of borrowing and capital financing being lower than budgeted and the availability of additional Treasury

Management income and unringfenced grants not allocated to service budgets.



Members were provided with information on the Quarter 2 position of the Dedicated Schools Grant (DSG), Housing Revenue Account (HRA) and Collection Fund. There were no significant issues of concern in relation to the HRA and Collection Fund, however, the DSG continued to be an area which was facing a financial challenge, with an increase in the projected year end deficit. Action was being taken with the aim of reducing the cumulative deficit and bringing the DSG towards a balanced position.

In relation to the Capital position, the Cabinet was informed of the most up to date capital spending position for 2018/23 for approved schemes. The 2018/19 capital programme budget had been revised to £49.523m at the close of Quarter 2, a net decrease of £40.135m from the original budget of £89.658 and a reduction of £10.499m from the £60.022m reported at Quarter 1. Actual expenditure to 30 September 2018 was £17.915m (36.18% of forecast outturn).

Members noted it was probable that the forecast position would continue to change before the year end with additional re-profiling into future years.

Options/Alternatives considered

- Option 1 - to approve the forecast revenue and capital positions presented in the report including proposed changes
- Option 2- to approve some of the forecasts and changes included in the report
- Option 3 - not to approve any of the forecasts and changes included in the report

RESOLVED that:-

1. The forecast revenue outturn for 2018/19 at Quarter 2 being a £0.099m under spend be approved.
2. The forecast positions for the HRA, Collection Fund and the DSG be approved.
3. The use of up to £5.9m of earmarked reserves to increase the Council's 2018/19 contribution to the Pooled Fund operating under a Section 75 agreement, to facilitate wider benefits to the Oldham Health and Social Care economy be approved.
4. The use of ear marked reserves as detailed in Appendix 1 to Annex 1 of the report be approved.
5. The revised capital programme for 2018/19 to the extended period of 2022/23, as at Quarter 2, be approved.

TREASURY MANAGEMENT MID-YEAR REVIEW REPORT 2018



The Cabinet gave consideration to a report of the Director of Finance which advised them of the performance of the Treasury Management function of the Council for the first half of 2018/19, and provided a comparison of performance against the 2018/19 Treasury Management Strategy and Prudential Indicators.

The Cabinet were informed that the Council was required to consider the performance of the Treasury Management function in order to comply with the Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management (revised 2017). The report set out the key Treasury Management issues, for Members' information and review, and outlined:

- An economic update for the first six months of 2018/19;
- A review of the Treasury Management Strategy Statement and Annual Investment Strategy;
- The Council's capital expenditure, as set out in the Capital Strategy, and prudential indicators);
- A review of the Council's investment portfolio for 2018/19;
- A review of the Council's borrowing strategy for 2018/19;
- Why there has been no debt rescheduling undertaken during 2018/19;
- A review of compliance with Treasury and Prudential Limits for 2018/19.

Options/ Alternatives considered:-

In order that the Council complied with the Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management, the Council had no option other than to consider and approve the contents of the report. Therefore no options/alternatives were been presented for consideration.

RESOLVED that the following be approved and commended to Council:

1. Treasury Management activity for the first half of the financial year 2018/19 and the projected outturn position
2. Amendments to both Authorised Limit and Operational Boundary for external debt as set out in the table at Section 2.4.5 of the report.
3. Amendments to the Capital Financing Requirement (CFR) as set out in the table at section 2.4.5
4. Addition to the Treasury Management Strategy 2018/19 with regards to specified investments as presented at Appendix 3.

GROWTH DEAL 3 MAJOR SCHEME: OLDHAM TOWN CENTRE REGENERATION AND CONNECTIVITY

The Cabinet gave consideration to a report of the Principal Officer, Transport and Highways Policy that

- Updated Cabinet on the progress to date in relation to the development and future delivery of the Growth Deal 3 Major Scheme: Oldham Town Centre Regeneration and Connectivity, which is part of the Greater Manchester Transport Capital Programme.
- Advised Cabinet of the Governance process associated with Growth Deal Major Schemes and the implications this has for Oldham, particularly in terms of resources and funding.
- Sought delegated approval for a number of matters to ensure that delivery timescales could be met and grant take-up was maximised.

Cabinet were informed that Oldham Council had been awarded a £6 million Local Growth Deal 3 grant by the Greater Manchester Combined Authority for a major scheme 'Oldham Town Centre Regeneration and Connectivity'. The spend deadline for this funding was March 2021.

The scheme had so far been granted Programme Entry status in the Greater Manchester Transport Capital Programme. The Combined Authority's governance process required the Council to prepare and submit Conditional and Final business cases to TfGM for approval before it could access the grant. Under the GMCA governance process, the scheme contingency would be held centrally by Transport for Greater Manchester (TfGM) in a single pot, rather than at individual scheme level.

Following submission of an outline programme to TfGM in June 2017, work was now underway to finalise the programme of works that would make up the scheme and to develop the Conditional Business case for submission to TfGM for approval. The programme was being designed to complement a final Town Centre Masterplan once agreed.

Cabinet noted that various delegated approvals were being sought which were intended to ensure that the programme could be delivered within the March 2021 spend deadline and grant take-up was maximised. The options available for procuring the works were also set out in the report.

Cabinet asked that their thanks be passed on to the officers involved in putting the bid together.

Cabinet was recommended to note:

- That the Greater Manchester bid to the third round of the Local Growth Fund in July 2016 included a £25 million bid for funding towards the Oldham Town Centre Regeneration and Connectivity scheme (1.1).
- That the Growth Deal 3 Major Scheme Oldham Town Centre Regeneration and Connectivity had been allocated £6 million and gained Programme Entry status in the Greater Manchester Transport Capital Programme on the basis of the Strategic Outline Business Case produced by Oldham Council for the June 2016 bid (1.3).

- That an outline programme for the £6 million was submitted to Transport for Greater Manchester in June 2017 (1.4).
- The GMCA governance process and guidance associated with Major Growth Deal funded schemes (2.1).
- That there were two main gateways to obtaining Full Approval following Programme Entry Status: Conditional Approval and Full Approval and that passing these gateways would be done through the submission of business cases (2.3).
- That TfGM had agreed that a hybrid governance process was more appropriate for this scheme which would involve obtaining Conditional Approval via GMCA for the overall programme under the Major Scheme governance process and subsequent Full Approval for sub-packages of work under the minor works governance process, which was delegated to the GM Transport Strategy Officer Group (2.6).
- That under the GMCA Governance Process, scheme promoters, including Oldham, were required to initially cash-flow their own scheme development and business case preparation costs. Subject to eligibility these would be recoverable on gaining Conditional Approval (3.1).
- That under the GMCA Governance Process, the contingency allowance for Growth Deal 3 schemes would be held centrally by GMCA, not by the scheme promoter, and would be at programme level rather than at individual scheme level (3.2).
- That Unity had been commissioned to progress scheme design, which was required to obtain Conditional Approval, and to ensure that delivery timescales aligned with the wider town centre regeneration programme. This involved spending Council resources which would be recovered from the £6 million Growth Deal 3 allocation on gaining Conditional Approval (4.3).
- That some schemes in the proposed GD3 programme already had scheme design and delivery budgets available in Oldham's transport capital programme, for example King Street Bridge (M0127) and Retiro Street (within M0121), which were being used to develop those schemes to Conditional Approval status. Achieving Conditional Approval status would enable scheme design costs to be reclaimed, which would free up resources in the transport capital programme. Further resources associated with scheme delivery would also be freed up when Full Approval status had been achieved (4.3).
- That delivery of some elements of the package had commenced, for example Middleton Road Bridge, which was providing match-funding (4.5).

Cabinet was recommended to agree:

- That authority was given to the S151 Officer and the Deputy Chief Executive People and Place to sign off the business case for submission to Transport for Greater

Manchester (TfGM) for Conditional Approval of the overall programme (2.8).

- That authority was given to the S151 Officer and the Deputy Chief Executive People and Place to sign off the mini business cases or shift statements for submission to TfGM for Full Approval of sub-packages of work (2.8).
- That Authority was given to the S151 Officer and the Deputy Chief Executive People and Place to sign off any requests to draw down central contingency during scheme delivery (3.2).
- To ringfence any freed up resources to the transport capital programme for delivery of other transport priorities to be agreed by the Cabinet Member for Neighbourhoods in consultation with Capital Investment Programme Board (4.4).
- That authority was given to the relevant Cabinet Member to make any changes to the GD3 programme deemed necessary after Conditional Approval had been attained (ie between Conditional Approval and Final Approval, and potentially during the scheme delivery phase (4.10)).

Options/Alternatives considered:

- Option 1 – to proceed with developing and delivering the Growth Deal 3 Major Scheme: Oldham Town Centre Regeneration and Connectivity by approving the recommendations. This would ensure that the project met the GMCA governance requirements and secure the necessary GMCA approvals to enable the development and delivery of the programme by March 2021, and maximise the take-up of the £6 million available.
- Option 2 – not to approve the recommendations. This would lead to delays in the development and delivery of the programme, which could result in the loss of grant funding and compromise the Council's reputation at GM level as an authority that delivers, which could impact on its ability to secure grants through other GM bidding opportunities.

RESOLVED that the Cabinet would consider the commercially sensitive information contained at Item 15 of the agenda.

9

BROADWAY GREEN PHASE 2

The Cabinet gave consideration to a report of the Principal Surveyor, Strategic Property Partnerships which updated the Council on the progress made with regard to Phase 1 of the Broadway Green development and sought approval to vary the Joint Venture legal agreements in accordance with the grant funding conditions from Homes England for Phase 2 of the Broadway Green Development.

Cabinet noted that The Broadway Green development (previously known as the Foxdenton scheme) was being promoted by a joint venture partnership between Oldham Council, Grasscroft Property and Seddon Construction. The

creation of the joint venture partnership and the terms of the partnership were approved by Cabinet on 16th December 2013.



Oldham
Council

The site had detailed planning consent for a new link road and for the first phase of 97 family homes. It also had outline consent for up to 700,000 sq.ft of employment space, a further 373 new homes and a new linear park

Members were informed that the Broadway Green development had started on site in June 2017. The extent of the works completed so far included the first phase of the new link road, the creation of a development plateau for the first residential phase and highway improvements to the Eaves Lane/Broadway/Foxdenton Lane junction.

The phase 1 works had been substantially completed, meaning the first third of the link road from Foxdenton Lane was constructed, Redrow Homes were now on site building the first residential phase of the development and the highway works at the Eaves Lane junction had been completed.

In January 2018 the Council had been notified that it had been successful in its bid for £4.9m of Marginal Viability Funding, for Broadway Green Phase 2, on the basis that it would deliver approximately 373 new homes.

Options/Alternatives considered:-

- Option 1 - to approve the variation of the joint venture legal agreements. This would enable the works to continue on site.
- Option 2 - not to approve the variation of the joint venture legal agreements. This would mean there would be no grant funding from Homes England.

RESOLVED that the Cabinet would consider the commercially sensitive information contained at Item 16 of the agenda.

10

ACQUISITION OF THIRD PARTY INTEREST IN OLDHAM PROPERTY LLP - ACQUISITION OF FORMER SAINSBURY'S, BLOOM STREET

The Cabinet gave consideration to a report of the Director of Economy which outlined details of the proposal for the Council to enter into a land swap, which would see the Authority acquire the third party interests held by The Brookhouse Group ('Brookhouse') in the assets owned by Oldham Property LLP ('OPLLP'). A number of surplus, Council-owned assets – which were thought to have an equivalent value – would be used in exchange.

The report also provided details of the proposal for the Council to enter into an agreement with the Department of Education ('DfE') to lease the assets previously held by OPLPP for the purposes of a new secondary school.

The Cabinet were informed that Oldham Property LLP ('OPLLP') was a 50/50 joint venture company involving both the Council and The Brookhouse Group ('Brookhouse'). -The company was formed in February 2013 and originally set up to acquire the former Sainsburys store. Following acquisition, OPLLP entered into a car parking agreement which generated an income for the company.

In July 2013, OPLLP had acquired a vacant property at 11 Slater Street and demolished the building on it. This area had been left vacant and fenced. In addition OPLLP had exchanged contracts to purchase the Council owned, former Trans-Web property and a landscaped area fronting Manchester Street. Contracts for the former Trans-Web site were exchanged in September 2017, however it had not been possible to complete the agreement due to an ongoing delay in receiving final sign off from Homes England who, originally provided the Council with grant funding to complete the initial purchase of the Trans-Web site.

In November 2017, OPLPP secured planning permission (PA/339744/17) for the comprehensive redevelopment of the area, with authority granted for a new;

- A1 retail unit providing up to 90,000sq.ft of floorspace;
- A detached pod unit to provide A1 retail, A3 restaurant or A5 takeaway uses providing up to 2,000sq.ft of floorspace;
- A twelve-level multi-storey car park providing up to 376 parking spaces and associated ground parking (up to 196 spaces).

Following the grant of planning permission, OPLLP had completed the demolition of the former Sainsburys store, which had allowed the amount of pay and display car parking to be extended.

Cabinet noted that, in recent months, a local education provider had been working with officers to explore options for the possible development of a new, centrally-located secondary free school. Officers had identified a number of sites and offered three potential sites to the education provider, which included Bloom Street.

The land in and around Bloom Street provided the opportunity to provide a development within an existing, centrally located education quarter that benefitted from excellent public transport links. Following the acquisition of any interests held by Brookhouse, the Council would own an area of land measuring 4.64 acres with the further potential to increase this area through road closures.

In addition to the main Bloom Street site, this opportunity would also be able to utilise the facilities at West End Street which provided an additional 2.56 acres of currently underutilised sports and changing facilities, which lie less than 400 metres

away. In view of this, Officers had sought to engage with Brookhouse, with a view to acquiring their third party interest in the properties held by the company.

Options/Alternatives considered:-

- Do Nothing
- Seek to acquire the Bloom Street site based on Market Value only
- Make a cash payment based on the Brookhouse valuation
- Dispose of a number of existing Council assets as a cash equivalent to the Brookhouse valuation

RESOLVED that the Cabinet would consider the commercially sensitive information contained at Item 17 of the agenda.

11

EASTERN GATEWAY AT OLDHAM MUMPS

The Cabinet gave consideration to a report of the Director of Economy which sought approval for the delivery strategy for the Eastern Gateway development, site A at Mumps.

The Cabinet were informed that The Mumps Area/Eastern Gateway was a key area of opportunity and a catalyst for the regeneration of the Town Centre and the wider area. Development of the TfGM Park and Ride site at Mumps/ Prince Street was the first phase of a wider Masterplan, prepared by BDP in 2014, which set out a vision for a new Town Centre residential neighbourhood and a major new retail development to bolster Oldham's Town Centre retail offer.

In order to release the retail site for development, a replacement TfGM Park & Ride facility was required and Growth Fund 2 money was allocated towards the cost. The replacement car park was completed in January 2017, with the land swap completing mid-March 2017.

An outline proposal had been approved in principle by several interested parties who had provided offers for the site. The offers had been appraised by officers and external consultants. Whilst any agreement would be subject to a number of conditions precedent, the Council was now in a position to decide on the delivery strategy for the Eastern Gateway, site A.

Options/Alternatives considered:

Option 1: Sell Site A

Option 2: Do Not Sell Site A

RESOLVED that:

1. The delivery strategy for The Eastern Gateway, site A, be approved.
2. The current proposals in the delivery strategy for the remaining sites, approval of which will be sought subsequent to this report, be noted.

3. The Cabinet would consider the commercially sensitive information contained at Item 18 of the agenda.



CULTURAL QUARTER UPDATE

The Cabinet gave consideration to a report of the Team Leader, Regeneration, which updated them on the development of the Cultural Quarter project to date and sought approval of the progress of OMA (Oldham Museum and Arts/Archive) into the next phase of contractor procurement. Approval was also sought to the development of feasibility options to consider delivery solutions for high-quality sustainable performance space in the town centre.

Members were informed that the cultural offer for Oldham would provide the widest possible participation and promote excellence in theatre, heritage and the arts. It would foster civic pride, act as a catalyst for economic growth and well-being and promote Oldham as a destination of choice for investors and cultural attenders.

Cabinet noted that the Outline Business Case (OBC) for OMA and OCT (Oldham Coliseum Theatre) was first agreed in April 2013, and then subsequently revised and agreed by Cabinet in April 2017. In August 2016, Gilbert Ash was awarded a pre-construction contract and this pre-construction activity had been concluded. Ellis Williams Architects had been engaged as a replacement for Mecanoo.

In relation to OMA, Members were informed that the designs had been further refined by the architects. The building had been secured and was ready for the next phase of the project. In May 2016 the Council had secured £3,379,000 from the Heritage Lottery Fund (HLF) towards the costs. This was supplemented by a commitment from a private contributor in the sum of £3,934,809 (previously £4,034,809).

An integral element of the OMA project was to provide off-site storage and archiving facilities, to accommodate those archives and collections which could not be accommodated within the refurbished and remodelled former library building and adjacent Gallery Oldham building. The location approved by Cabinet was Prince of Wales Units A & B and Kier had been commissioned to undertake a detailed feasibility study of these units.

Cabinet were informed that, in relation to OCT, the Arts Council for England (ACE) in September 2018 had recognised the increase cost of the project and value for money, and acknowledged the need to revisit proposals and recognise a new vision for the long term sustainability of theatre production. ACE had confirmed their continued support for a Town Centre arts and cultural performance offer.

Members noted that, in order to progress the realisation of the cultural vision for the theatre, a feasibility exercise should be implemented with a focus on cultural and performance solutions

that were sustainable and complimented current regional and national theatre ambitions. ACE were currently consulting on their new 10 year strategy which had a strong focus on diversity, collaboration and sustainability and there was an opportunity to align the theatre project and the cultural offer for Oldham closely to a strategic body for the arts and major funder.



Options/Alternatives considered:-

These were set out in the report in the restricted part of the agenda.

RESOLVED that the Cabinet would consider the commercially sensitive information contained at Item 19 of the agenda.

13 **COUNCIL PERFORMANCE REPORT SEPTEMBER 2018**

The Cabinet gave consideration to a report of the Head of Business Intelligence which provided a review of Council performance to September 2018.

The report provided the Cabinet with an overview of the Council's performance against priorities outlined within the Corporate Plan, which had been monitored in the period July to September 2018.

Options/Alternatives considered

To note the Council performance July to September 2018.

RESOLVED – That the Council Performance Report September 2018 be noted.

14 **EXCLUSION OF THE PRESS AND PUBLIC**

RESOLVED that, in accordance with Section 100A(4) of the Local Government Act 1972, the press and public be excluded from the meeting for the following items of business on the grounds that they contain exempt information under paragraph 3 of Part 1 of Schedule 12A of the Act, and it would not, on balance, be in the public interest to disclose the reports.

15 **GROWTH DEAL 3 MAJOR SCHEME: OLDHAM TOWN CENTRE REGENERATION AND CONNECTIVITY**

The Cabinet gave consideration to the commercially sensitive information in relation to Item 6 – Growth Deal 3 Major Scheme: Oldham Town Centre Regeneration and Connectivity

RESOLVED that the recommendations as detailed within the report be approved.

16 **BROADWAY GREEN PHASE 2**

The Cabinet gave consideration to the commercially sensitive information in relation to Item 7 – Broadway Green Phase 2.

RESOLVED that the recommendations as detailed within the report be approved.



Oldham
Council

17

ACQUISITION OF THIRD PARTY INTEREST IN OLDHAM PROPERTY LLP - ACQUISITION OF FORMER SAINSBURY'S, BLOOM STREET

The Cabinet gave consideration to the commercially sensitive information in relation to Item 8 – Acquisition of Third Party Interest in Oldham Property LLP - Acquisition of Former Sainsbury's, Bloom Street.

RESOLVED that the recommendations as detailed within the report be approved.

18

EASTERN GATEWAY AT OLDHAM MUMPS

The Cabinet gave consideration to the commercially sensitive information in relation to Item 9 – Eastern Gateway at Oldham Mumps.

RESOLVED that the recommendations as detailed within the report be approved.

19

CULTURAL QUARTER UPDATE

The Cabinet gave consideration to the commercially sensitive information in relation to Item 10 – Cultural Quarter Update.

Members were informed that Recommendation 4 had been amended to delegate approval of the OMA outline and full business cases to the Cabinet Member for Economy and Enterprise in consultation with the Capital Investment Programme Board.

RESOLVED that the recommendations as amended and detailed within the report be approved.

The meeting started at 6.00 pm and ended at 6.32 pm