

<b>Cabinet</b>	 <b>TOWER HAMLETS</b>
30 January 2018	
<b>Report of:</b> Ann Sutcliffe, Acting Corporate Director, Place	<b>Classification:</b> Unrestricted
<p><b>The Infrastructure Delivery Framework: Report to Cabinet recommending the approval of the allocation of S106 funding and approval for the adoption of a capital budget in respect of the following projects:</b></p> <ul style="list-style-type: none"> <li>• <b>Leisure Facility Improvement PID</b></li> <li>• <b>The Oval Public Space PID</b></li> </ul>	

<b>Lead Member(s)</b>	<p><u>Covering Cabinet Report</u> Councillor Rachel Blake, Cabinet Member for Strategic Development</p> <p><u>Leisure Facility Improvement Project Initiation Document</u> Councillor Mukit, Cabinet Member for Culture and Youth</p> <p><u>The Oval Public Space Project Initiation Document</u> Councillor Mukit, Cabinet Member for Culture and Youth</p>
<b>Originating Officer(s)</b>	<p><u>Covering Cabinet Report</u> Owen Whalley, Divisional Director, Planning and Building Control, Place Directorate</p> <p><u>Leisure Facility Improvement Project Initiation Document</u> Lisa Pottinger, Head of Sport &amp; Physical Activity, Children's Services</p> <p><u>The Oval Public Space Project Initiation Document</u> Stephen Murray, Head of Parks and Events, Children's Services</p>
<b>Wards affected</b>	All wards; St Peters Ward
<b>Key Decision?</b>	Yes
<b>Community Plan Theme</b>	A great place to live; A fair and prosperous community; A safe and cohesive community; A healthy and supportive community.

## 1. **EXECUTIVE SUMMARY**

1.1 This document has been formed in order to seek approval from the Mayor in Cabinet for:

1. The allocation of £1.5 million in Section 106 (S106) funding to the proposals set out in the "*Leisure Facility Improvement*" Project Initiation Document (PID), which is attached to this Cabinet report at Appendix A.
2. The allocation of £335,820 in Section 106 (S106) funding to the proposals set out in the "*The Oval Public Space*" Project Initiation Document (PID), which is attached to this Cabinet report at Appendix B.

1.2 The projects to which this document relates can be summarised as follows:

a) **Leisure Facility Improvement Project:**

This project requires the capital investment of £1.5 million (S106 funding) to be made for the improvement of the borough's leisure centres, which is a condition of the extension of the leisure management contract with the Council's leisure operator Greenwich Leisure Limited (GLL). The aim of the project is to deliver the medium term financial strategy savings associated with the leisure management contract (as agreed by Full Council in February 2016), and to ensure the centres are of a high standard and attract residents from key target groups.

b) **The Oval Public Space Project:**

The Oval Public Space Project is for the approval of S106 money towards a total project cost of £335,820 – this includes the £230,819 previously approved at PCOP in 2015 and secured through supplementary S106 planning agreements. The aim of this project is to transform the site into a designated open space. Once completed, the site will be transformed into a pleasant open space, with new seating areas, attractive paving, raised planting, and water and electricity connections.

1.3 Table 1 below sets out the amount requested for the named project highlighted in 1.2, including the source of requested funding related to CIL and S106. Table 2 sets out the project costs and the amounts that require a capital budget to be adopted.

1.4 It should be noted that the figures in this report have been rounded to the nearest pound. For exact figures please refer to the attached PID.

**Table 1: Source of Funding and Overall Amount Requested for Allocation**

Project Title	Amounts			Funding (Capital/ Revenue)
	Overall Request	S.106	CIL	
Leisure Facility Improvement Project	£1,500,000	£1,500,000	-	Capital
Oval Public Space Project	£335,820	£335,820	-	Capital
<b>Total</b>	<b>£1,835,820</b>	<b>£1,835,820</b>	<b>-</b>	

**Table 2: Adoption of Capital Budget > Requested Amount**

Project Title	Amounts	
	Overall Request	Adoption of Capital Budget > Request Amount
Leisure Facility Improvement Project	£1,500,000	£1,500,000
Oval Public Space Project	£335,820	£335,820
<b>Total</b>	<b>£1,835,820</b>	<b>£1,835,820</b>

**RECOMMENDATIONS**

The Mayor in Cabinet is recommended to:

1. Approve the allocation of £1.5 million in Section 106 (S106) funding to the proposals set out in the "*Leisure Facility Improvement*" Project Initiation Document (PID), which is attached to this Cabinet report at Appendix A and Table 1
2. Approve the allocation of S106 money towards a total project cost of £335,820 as set out in the "*Oval Public Space*" Project Initiation Document (PID), which is attached to this Cabinet report at Appendix B and Table 1

and to adopt corresponding capital estimates in order that the projects can be included within the Council's capital programme.

## **2. REASONS FOR THE DECISIONS**

2.1 Approval is sought to deliver these projects for the following reasons:

1. They help contribute to the delivery of positive improvements to people's lives that will underpin the Community Plan themes of:
  - A Great Place to Live;
  - A Fair and Prosperous Community;
  - A Safe and Cohesive Community;
  - A Healthy and Supportive Community.
2. The Infrastructure Delivery Framework states that "planning policy seeks to deliver healthy and liveable neighbourhoods that promote active and healthy lifestyles and enhances people's wider health and well-being. This will be achieved through the delivery of high quality, useable and accessible leisure facilities, which will include updating the existing facilities".
3. The Oval Public Space Project is consistent with the aims of a number of key Council Strategies, including the Green Grid Strategy, which aims to "create an interlink network of accessible green open space", as well as the Open Space Strategy (which is currently being revised) and aims to "improve the overall quality and accessibility of current open space provision". It also seeks "to prioritise public safety by designing out crime and to maximise funding opportunities for the provision of this type of infrastructure including those from planning obligations"

2.2 Please refer to the following associated documents/appendices for more information about the projects:

- Appendix A: Leisure Facility Improvement PID;
- Appendix B: The Oval Public Space PID

## **3. ALTERNATIVE OPTIONS**

3.1 The projects within the attached PIDs can be individually or collectively approved. The only alternative option is to not allocate the funding to some or any of these projects.

3.2 It should be noted that the use of S106 funding proposed for allocation in this report is restricted, as it must be spent in accordance with the terms and conditions of its expenditure pertaining to a specific S106 agreement related to the development from which it originates. Further details of the specific restrictions attached to each S106 agreement can be found in the attached PIDs. Any alternative spend of this funding would have to be on projects that would meet the requirements of the relevant S106 agreement.

## **4. BACKGROUND**

### S106

- 4.1 S106 of the Town and Country Planning Act 1990 allows a Local Planning Authority (LPA) to enter into a legally-binding agreement or planning obligation with a developer over a related issue. Planning obligations/S106 Agreements are legal agreements, negotiated between a LPA and a developer, with the intention of making development acceptable which would otherwise be unacceptable in planning terms.
- 4.2 S106 contributions must be spent in accordance with the agreement to which they relate. The contributions secured in S106 Agreements are usually tied to the need to provide a certain type of project in a defined location.

### PIDs

- 4.3 The backgrounds to the projects are provided below. For further information on the projects described in this report it is necessary to consult the PIDs attached at Appendix A and Appendix B.

### **Leisure Facility Improvement Project (PID attached at Appendix A)**

- 4.4 This PID seeks approval for the expenditure of £1.5 million of S106 funding for investment in leisure facilities.
- 4.5 Alongside the PID, the Council has renegotiated the leisure management contract to secure savings that support the delivery of the Medium Term Financial Plan. The same negotiations agreed the need for capital improvements that are to be delivered through this PID.
- 4.6 The significant improvements in access and modernisation to the gyms, studios and through ways will create a better overall clean and more appealing environment, which research suggests is most likely to appeal to female and older adults in the community. All of the improvements are set to create the best fitness experience. The addition of functional equipment and space is up to date with the current fitness trends and will encourage individual, pair and small group training which will result in more people being more active more often.
- 4.7 GLL aim to increase participation levels across all parts of the community, and in particular the following target groups: young people, people with disabilities, people on low incomes, 50+, women, disadvantaged groups, with an approach which is socially inclusive. GLL not only provides culturally sensitive leisure programmes, but uplifts communities by providing routes to employment and training within the local communities it serves.

- 4.8 The addition of soft play will give children the opportunities to prosper, learn and develop through play and active discovery and help children and young people grow a lifelong commitment to sport/physical activity, thus providing foundations for a healthier life.
- 4.9 As a result of the improvements and additional activities, such as soft play structure at Mile End, there will be an increase in memberships and usage increase by 1% on top of annual uplift targets agreed with the Council's Sport and Physical Activity Sections. Membership profiles across all centres will reflect the demographics of the borough for all target groups.

### **The Oval Public Space Project (PID attached at Appendix B)**

- 4.10 This project involves the approval of S106 money towards a total project cost of £335,820 which includes the £230,819 previously approved at PCOP in 2015.
- 4.11 The Oval open space sits within an area of ongoing development and regeneration north of Hackney Road. Prior to the start of the works, the site included concrete bollards which had been destroyed to allow for free unregulated parking. It was in poor condition and had no maintenance or cleaning regime due to the presence of parked vehicles.
- 4.12 The aim of this project is to transform the site into a designated open space. Once completed, the site will be transformed into a pleasant open space, with new seating areas, attractive paving, raised planting, and water and electricity connections.
- 4.13 The benefits of the project as set out in the PID include the encouragement of inward business investment into the area. It will also provide the local community and visitors with a desirable open space for recreational use and will prevent the use of the land being used as an unauthorised car park.
- 4.14 The Oval Open Space Project is also consistent with the aims of a number of key Council Strategies, including the Green Grid Strategy, which aims to "create an interlink network of accessible green open space", as well as the Open Space Strategy (which is currently being revised) and aims to "improve the overall quality and accessibility of current open space provision". It also seeks "to prioritise public safety by designing out crime and to maximise funding opportunities for the provision of this type of infrastructure including those from planning obligations".

## **5. COMMENTS OF THE CHIEF FINANCE OFFICER**

- 5.1 In accordance with the Council's Infrastructure Delivery Framework, this report seeks the approval of the Mayor in Cabinet to allocate Section

106 resources totalling £1,835,820 to two projects – Improvements to Leisure Facilities and the Oval Public Space Project.

- 5.2 In order that spending decisions can be made during the financial year by the Infrastructure Delivery Board and the Mayor in Cabinet, an initial provision of £30 million for infrastructure delivery was incorporated within the 2016-17 capital programme, with uncommitted resources being carried forward into 2017-18 and future years as necessary. The approval to fund schemes from this budgetary provision can only be made following the receipt of the relevant developer contributions - in the case of the schemes proposed in this report, the required resources have been received by the Council. The planning contributions that are being applied to the projects are detailed in section 2 of each of the Project Initiation Documents that are included as Appendices A and B of this report.
- 5.3 A significant element of the Section 106 resources that are held by the Council relates to capital projects. The proposed allocation of these funds is undertaken by the Infrastructure Delivery Board and should take place in accordance with the priorities within the Council's capital strategy, although certain resources are specific to particular initiatives. In order to undertake Section 106 funded capital schemes, projects must be incorporated into the capital programme and appropriate capital budgets adopted. The approval of capital estimates totalling £1,835,820 is sought in this report.
- 5.4 Due to the risk that funding will have to be repaid to developers, with interest, if the time period specified in the Section 106 agreement expires, it is important to ensure that projects continue to be closely monitored and that actions are taken to mitigate any risk that resources will be lost. The possibility of applying funds to alternative projects should be considered if schemes are unlikely to drawdown the funding before the time limited resources expire, although this must be done in accordance with the specific use conditions that are detailed in each Section 106 agreement.
- 5.5 Payments of Section 106 resources to external bodies can potentially be determined to be grants which require the approval of the Grants Determination Sub-Committee in accordance with the Council's decision making framework. This does not apply to the two projects in this report which will both be managed by the Council itself.
- 5.6 The Council has had to incur unbudgeted costs in temporarily securing the Oval site which will be avoided once works commence. The future on-going maintenance of the landscaped area will be the responsibility of the Council's Clean and Green team, with costs met from within existing budgets.

- 5.7 All revenue costs associated with the improvements to leisure facilities are incorporated within the Council's management contract with Greenwich Leisure limited.
- 5.8 In cases where project approvals contain a contingency item this will only be utilised if officers are fully satisfied with the supporting evidence provided to support the claim. Any unused contingency sums will be available for reallocation to other projects.

## **6. LEGAL COMMENTS**

- 6.1 Section 106 Planning Obligations are obligations secured pursuant to section 106 of the Town and Country Planning Act 1990. Such Planning obligations, commonly known as s.106 agreements, are the mechanism whereby development proposals which would otherwise not be acceptable can be made acceptable in planning terms. They are focused on site-specific mitigation of the impact of development. They can impose financial and non-financial obligations on a person or persons with an interest in the land and become binding on that parcel of land.
- 6.2 As a contract the Council are required to spend any monies received in accordance with the terms of the s.106 agreement. It is therefore important to consider the provisions of each agreement when allocating monies to a particular project. Whilst some agreements allow for a particular contribution to be spent on a type of infrastructure or project across the borough as a whole, other agreements are more specific in requiring that a contribution be linked more closely to the locality of the development.
- 6.3 This report is asking the Mayor in Cabinet to approve the allocation of s.106 resources to the following projects: Leisure Facility Improvement and The Oval Public Space, which were recommended for progression by the Infrastructure Delivery Steering Group, and to adopt the necessary capital budget. In respect of both projects, the allocation of this section 106 funding is considered to be in accordance with the s.106 agreements and therefore lawful.
- 6.4 When making decisions, the Council must have due regard to the need to eliminate unlawful conduct under the Equality Act 2010, the need to advance equality of opportunity and the need to foster good relations between persons who share a protected characteristic and those who do not (the public sector equality duty). A proportionate level of equality analysis is required to discharge the duty and where equality issues arise in respect of the projects these have been considered (where relevant) within the PIDs and the Equality Analysis' appended to the PIDs.

## **7. ONE TOWER HAMLETS CONSIDERATIONS**

- 7.1 This report proposes to allocate funding to help deliver infrastructure at a local level. In scoping these infrastructure projects the objectives of One Tower Hamlets and those of the Community Plan have been considered.
- 7.2 It is hoped that these infrastructure projects will contribute to the reduction of inequality and will foster cohesion in the borough.

## **8. BEST VALUE (BV) IMPLICATIONS**

- 8.1 If approved, the project referred to in this document is required to be delivered in consideration of best value implications and the Council's Best Value Strategy and Action Plan (2015).

## **9. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT**

- 9.1 Sustainability considerations will be applied as far as possible to the use of building materials and fixtures.
- 9.2 The proposed improvements will contribute towards the measures of increased use and satisfaction with green spaces and increased quality and function of open space.

## **10. RISK MANAGEMENT IMPLICATIONS**

- 10.1 The risks relating to the delivery of these projects as well as mitigating measures are set out in detail in the attached PIDs at Appendix A and Appendix B.

## **11. CRIME AND DISORDER REDUCTION IMPLICATIONS**

- 11.1 It is hoped that these projects will improve places and help design out crime in the borough, making them less susceptible to crime or disorder and increasing natural surveillance.

## **12. SAFEGUARDING IMPLICATIONS**

- 12.1 The Leisure Facilities Improvement project proposes the delivery of infrastructure across the borough. The rights of all end users will be safeguarded and further information can be found in the attached PID.
  - 12.2 The Oval Open Space Project seeks "to prioritise public safety by designing out crime and to maximise funding opportunities for the provision of this type of infrastructure including those from planning obligations".
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## **Linked Reports, Appendices and Background Documents**

### **Linked Report**

- None

### **Appendices**

- Leisure Facility Improvement PID – Appendix A;
- The Oval Public Space PID – Appendix B.

### **Background Documents – Local Authorities (Executive Arrangements) (Access to Information) (England) Regulations 2012**

- None

### **Officer contact details for documents:**

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