


Cabinet 5 January 2016	 TOWER HAMLETS
Report of: Interim Corporate Director of Children's Services, Debbie Jones	Classification: Unrestricted
Children's and Adults Services Capital Programme	

Lead Member	Councillor Rachael Saunders, Cabinet Member for Children's Services; Councillor Amy Whitelock Gibbs, Cabinet Member for Health & Adults Services
Originating Officer(s)	Pat Watson, Head of Building Development; Calvin Coughlan, Capital & Asset Management Manager
Wards affected	All wards
Key Decision?	Yes
Community Plan Theme	A Fair and Prosperous Community

Executive Summary

This report advises on the Children's and Adults Services Capital Programme with proposed schemes for 2016/17. Projects are recommended for implementation with recommendations for the various approvals.

Recommendations:

The Mayor in Cabinet is recommended to:

1. Note the contents of the report and the out-turn for the 2014/15 Education, Social Care & Wellbeing (ESCW) Capital Programme as detailed in Appendix A and proposed allocation of the funding available in 2016/17 as set out in Appendix B (paragraph 3.2);
2. Note the 2015/16 capital condition and improvement programme schemes in schools and service premises as shown in Appendix C (Schools and Children's Services) and Appendix F (Adult Services) (paragraph 3.4);
3. Approve the adoption of capital estimates for the 2016/17 capital condition and improvement programme schemes in schools and service premises as shown in Appendix D and authorise expenditure (paragraph 3.5);
4. Note the completed projects within the Primary Capital Programme (PCP) in Appendix E and approve the increase in the final cost for the works at Malmesbury Primary School (paragraph 3.9);

5. Note the School Expansion Programme as detailed in Appendix G and approve the revised capital allocation for the expansion works at Woolmore Primary and Stepney Green schools (paragraph 3.11);
6. Approve of the adoption of a capital estimate for fees of £1.00m to develop the design for the proposed new secondary school at the London Dock site (paragraph 3.15);
7. Note progress with the development of further expansion projects and approve the adoption of a capital estimate of £750,000 to cover the costs of developing proposals to be considered for inclusion in the capital programme and authorise expenditure (paragraph 3.19);
8. Approve the adoption of a capital estimate of £300,000 for the costs of providing additional short term accommodation if required for additional pupils until major works have been carried out to provide permanent additional school places and authorise expenditure (paragraph 3.20) ;
9. Note progress with creating early education provision and further consultation with providers as shown in Appendix E (paragraph 3.22);
10. Approve the adoption of a capital estimate for expenditure of s. 106 contributions on improvements to health infrastructure for the Maximising existing health infrastructure project of £2,603,358 (paragraph 3.24);
11. Approval of a capital estimate for expenditure of s. 106 contributions on improvements to health infrastructure for the fit out works to William Cotton Place of £3,193,000 (paragraph 3.24);
12. Agree that Council approved Frameworks be used, where appropriate, to deliver the various projects within the approved programmes;
13. Agree that the Corporate Director of Children's Services or the Director of Adults Services (as applicable), in respect of all proposed tenders referred to in this report, be authorised to agree tenders for projects within the approved programmes and capital estimate;
14. Agree that any scheme exceeding the approved budget, the Corporate Director of Children's Services or the Director of Adults Services (as applicable) to be authorised to prepare and carry out a Bill of Reductions where relevant to ensure expenditure is contained within the agreed costs

1. REASONS FOR THE DECISIONS

- 1.1 The Local Authority (LA) has a responsibility to maintain its properties to ensure that they are safe and secure for staff and users. In the case of schools, the LA also has a statutory responsibility to provide sufficient places for children and young people of school age. Cabinet is asked to note the programme and approve the adoption of the capital estimates so that the required works can proceed.

2. ALTERNATIVE OPTIONS

- 2.1 When identifying which works to include within the capital programme, alternative options are always considered. This is to ensure that the projects both meet value for money and address the needs identified. Expansion projects are recommended following options appraisals and to select the options which best meet the location needs of the rising school age population.

3. DETAILS OF REPORT

- 3.1 In the report to Cabinet on the 13th May 2015, Members approved the capital programme for 2015/16 to 2017/18 for Children's and Adults Services based on the anticipated out-turn for 2014/15. This report is dealing with the current and proposed future programmes for Children's Services.
- 3.2 The carry forward for 2014/15 for the Children's Services programme is now confirmed as £31.299m (see Appendix A). Together with the confirmed further funding the total amount available for 2015/16 to 2017/18 is £89.184m (Appendix B).
- ### **3.3 Capital Condition and Improvement Projects**
- 3.4 The projects at schools and other premises for condition and improvement works that were approved by Cabinet in May 2015 are in Appendix C (Schools and Children's Services) and Appendix F (Adult Services).
- 3.5 Appendix D list projects at schools and other premises to be included in the 2016/17 programme. Projects are included on the basis that they are necessary to rectify serious building or supply faults to ensure safe and continued operation of premises by users, to meet statutory requirements eg. accessibility, fire protection, etc. or service improvements. The projects are identified by using information from condition surveys and school priorities, which are then reviewed and the priorities confirmed.
- 3.6 These projects are currently being developed. There will be a further report to Cabinet to confirm any changes in May 2016.
- 3.7 Where appropriate Council approved Frameworks will be used to deliver the various projects within the approved programmes.

3.8 Primary Capital Programme (PCP)

3.9 The PCP has been completed. The remaining projects are where final accounts are being agreed and the expected costs are listed in Appendix E.

3.10 The final cost at Malmesbury Primary School has increased by £60,000. This follows a claim by the contractor for additional costs as a result of delays outside of his control and additional urgent works that were required during the project. The initial claim was higher but has been reduced following a review and removal of some items in the claim.

3.11 School Expansion Projects (Appendix G)

3.12 In May 2015, Cabinet approved funding for a number of projects within the Primary School Expansion programme for 2015/16 to 2017/18 amounting to £45.811m.

3.13 The work at Woolmore Primary School has now been completed. The anticipated final cost is £10.82m against the current budget of £10.5m. The additional cost includes £50,000 towards the cost of removing asbestos found in the foundations of the existing school building as part of the demolition works and the resulting delay to the programme. Provision is included for £100,000 for additional furniture and equipment over and above the original allowance, which will be repaid by the school over 3 years.

3.14 The works to provide a new block to accommodate the 6th Form at Stepney Green School have also commenced. The allocation agreed by Cabinet is £4.5m. The school have requested further works which would increase the cost to £5.0m. The school have confirmed that they will fund any costs above the £4.5m for the additional works.

3.15 A site allocation was been secured for a secondary school as part of the redevelopment of the London Dock site. Following approval of the outline scheme, a section 106 agreement was entered into which requires the Council to develop the design to be able to exercise an option to take on long lease on the site to build the school.

3.16 In order to exercise the option, preparatory work to develop the school design and potential phasing of the school development is now required. This will allow the programme considerations and costs to be considered. A further report will then be submitted to Cabinet seeking approval to the development, agreement to the funding and agreement to exercising the site option.

3.17 It is proposed that a sum of £1m be made available to develop the design and programme and cost details.

3.18 Project Development and Provision for Temporary Accommodation

3.19 There is a need to continue with development of a number of proposals to provide additional capacity. Feasibility studies will continue to be undertaken

to develop the programme. It is proposed to recommend to Cabinet that a sum of £750,000 is included in the programme to fund the feasibility studies and scheme development. Schemes will then be brought back to Cabinet for approval to implement.

- 3.20 In the short term it may be necessary to identify suitable school sites to locate the additional pupils in temporary accommodation until major works have been completed to provide the places needed in the longer term. It is recommended that a sum of £300,000 is included in the programme as a financial provision.
- 3.21 With both the above allocations, where funds are not required they will be included in the main programme for re-allocation.

3.22 Early Education Provision

- 3.23 The projects that have already been approved as part of the provision are listed in Appendix E. Consultation is taking place with providers to develop further provision and formal approval will be requested in due course. Early Years funding includes a contribution of £2.5m from the Dedicated Schools Grant.

3.24 Public Health Expenditure of s. 106 contributions (Appendix F)

- 3.25 Section 106 (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 with the intention of making acceptable development which would otherwise be unacceptable in planning terms. One of the specific terms that money has been secured is for healthcare infrastructure. These contributions can only be used for the specified purpose and the relevant schemes to spend the funds on primary care infrastructure can only be undertaken by the NHS. In order to deliver these schemes the Council is obliged to pass the funds to the NHS.
- 3.26 Two projects have been approved by the officers' Planning Contributions Overview Panel which propose improvements in Tower Hamlets healthcare infrastructure to mitigate the impact of current and future increases in population and comply with the terms of the s. 106 agreements under which the money was secured. The projects will increase capacity, access and service provision in primary care and will maintain continuity of local GP services. In each case the contributions from a number of s. 106 agreements are pooled to provide the necessary funding.
- 3.27 Before the funds can be transferred to the NHS in Tower Hamlets for delivery of these projects there is a requirement that they be adopted as capital estimates even though delivery of these projects will not result in the Council owning or controlling any assets.
- 3.28 Details of the projects are as follows:

Maximising existing health infrastructure

- 3.29 NHS Tower Hamlets CCG undertook an exercise to identify any additional capacity that could be provided in existing premises, primarily by converting non clinical space to clinical space. 11 GP Practices have been identified that could make improvements to their premises in order to increase capacity and access to provide more clinical appointments to the local population. A one off capital investment is proposed to enable these Practices to undertake the necessary improvement works.
- 3.30 The 11 Practices that have been identified for premises improvements have indicated that due to space constraints, they are limited in any future expansion. They are Aberfeldy Practice, Barkantine Health Centre, Blithedale Health Centre, Hartford Health Centre, Island Health, Jubilee Street Practice, Limehouse Practice, Mission Practice, Spitalfields Practice, Wapping Group Practice and Whitechapel Health
- 3.31 The schemes will allow these Practices to redesign internal areas to improve existing clinical space and provide a greater level of service within primary care. The project will provide 21 additional consulting rooms and treatment rooms. This will result in an increase of approximately 840 consultations per day across primary care. The investment also includes upgrades to technology and medical equipment to create more patient centric care to allow patients to be more involved in their care whilst maintaining services in the community.
- 3.32 The estimated cost of the Maximising existing health infrastructure project is £2,603,358. Cabinet is recommended to adopt a capital estimate of £2,603,358 for this project to be funded from the identified s. 106 contributions. A payment schedule for the funds based on completed projects will be agreed. Any unspent funds will be retained in the s106 health account.

William Cotton Place

- 3.33 The shell and core of the development at William Cotton Place has been completed and s106 funding is sought to undertake the fit out of the premises to enable a re-provision for the St Paul's Way Practice. William Cotton Place will provide purpose built accommodation to house core and enhanced GP primary care services within a GIA of 954 m². The primary care service will be co-located with a community health services locality team that will occupy 157 m² of the remaining space.
- 3.34 NHS Tower Hamlets CCG advise the current Practice premises are not fit for purpose on a functional and capacity level. The internal configuration of the practice makes delivery of primary care very difficult and the size of the current premises makes comprehensive primary care delivery impossible and provides no capacity for the anticipated population growth in the area.
- 3.35 The estimated cost of the William Cotton Place fit out project is £3,193,000. Cabinet is recommended to adopt a capital estimate of £3,193,000 for this

project to be funded from the identified s. 106 contributions. A payment schedule for the funds based on completed projects will be agreed. Any unspent funds will be retained in the s106 health account.

4. COMMENTS OF THE CHIEF FINANCE OFFICER

- 4.1 The Children's and Adults Services capital budget for 2015/16 to 2017/18 of £74.543m was agreed at Cabinet on 13th May 2015. The budget reflected the projected 2014/15 carry forward position and the expected government grants known at that point in time. This report now provides an update on the budget to reflect the actual 2014/15 carry forward, known government grants for 2015/16 to 2017/18 and any further changes either affecting the profile of spend or the priorities.
- 4.2 The effect of the changes discussed in 4.1 in relation to 2015/16 is an overall increase in funding of £14.641m, taking the total programme to £89.184m from the MTFP position of £74.543m reported to cabinet in May 2015. The spending plans currently developed for 2015/16 are to the value of £16.559m and reports seeking the requisite approval for individual schemes will come to Cabinet as required.
- 4.3 This report also includes uncommitted balances, these are amounts which are yet to be attributed to individual schemes and programmes. Uncommitted balances are not included in the General Fund Revenue and Capital Budget report elsewhere on this agenda.

5. LEGAL COMMENTS

- 5.1 Provided the finances are available this is the appropriate route to achieving the approval of the capital estimates in accordance with the Council's constitution.
- 5.2 It should be noted that the approval of this report relates only to the approval of the relevant capital estimate and does not approve any subsequent contract award.
- 5.3 Any subsequent contract award must be separately approved by going through the relevant internal procedure in accordance with the Procurement Procedures and the Council Financial Regulations and will be dependent upon the value of each individual contract.
- 5.4 It should be noted that where the new prospective contracts will cause a significant change to any service provision then appropriate levels of consultation must occur in accordance with the Localism Act 2011 and the Equality Act 2010
- 5.5 The Council must ensure that any of the sums received as "Capital Receipts" that are intended to be used under this program are only spent on items that fall to be Capital Expenditure in accordance with the Local Government Act 2003 as amended.

6. ONE TOWER HAMLETS CONSIDERATIONS

- 6.1 The implementation of the Children's Services capital programme is part of the LA's strategy to improve achievement by improving the teaching and learning environment.
- 6.2 Strategies to raise educational attainment, including improving quality of school buildings, support students moving into employment.
- 6.3 The expansion of schools under the capital programme is necessary to ensure the Council meets its legal obligation to secure sufficient schools for Tower Hamlets, but will also promote equality of opportunity for children and young people (including within the meaning of the Equality Act 2010). Equality considerations will be further taken into account in the planning, procurement and delivery of individual projects.
- 6.4 The payment of the s. 106 contributions for health projects aims to support provision of appropriate health infrastructure to ensure services can be accessed locally by the community.

7. BEST VALUE (BV) IMPLICATIONS

- 7.1 Implementation of capital schemes will be subject to competitive procurement. Proposals will be subject to consultation as they are developed and before implementation.

8. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT

- 8.1 The proposed capital works aim to improve and preserve the quality of the building stock. Sustainability considerations are applied as far as possible to design and materials used. Major projects included are expected to obtain a minimum rating of Very Good in the BREEAM Assessment.

9. RISK MANAGEMENT IMPLICATIONS

- 9.1 The individual projects will be closely monitored to ensure that programmes are completed on time and within the budget provision.

10. CRIME AND DISORDER REDUCTION IMPLICATIONS

- 10.1 There are no specific implications arising.

11. SAFEGUARDING IMPLICATIONS

- 11.1 There are no specific implications arising.
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Linked Reports, Appendices and Background Documents

Linked Report

- NONE

Appendices

Appendix A – Children’s Services Capital Out-Turn 2014/15

Appendix B - Proposed Allocation of Funds 2015/16 to 2017/18

Appendix C – 2014/16 CS Condition and Improvement Programmes

Appendix D – 2016/17 CS Condition and Improvement Programme

Appendix E - Primary Capital Programme and Early Education
Provision

Appendix F – Adults Services Capital Programme and Public Health

Appendix G - School Expansion Programme

Appendix H – Finance Comments – supporting tables

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

- NONE

Officer contact details for documents:

N/A