


Cabinet 14 June 2016	 TOWER HAMLETS
Report of: Debbie Jones Corporate Director, Children's Services Denise Radley, Director, Adult's Services	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
Wards affected	All
Community Plan Theme	A Fair and Prosperous Community
Key Decision?	Yes

1. INTRODUCTION/SUMMARY

This report advises on the Children's and Adults Services Capital Programme with proposed schemes for 2016/17 and seeks various approvals as set out in the report.

2. RECOMMENDATIONS

The Mayor in Cabinet is recommended to:

- a) Note the contents of this report and the expected out-turn for the 2015/16 Children's and Adults Services Capital Programme as detailed in Appendix A and proposed allocation of the funding available in 2016/17 as set out in Appendix B (paragraph 3.1);
- b) 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 C and authorise expenditure (paragraph 3.4);
- c) Approve the adoption of the capital estimate of £220,000 for improvement works to Cherry Trees School (paragraph 3.7);
- d) Approve the adoption of the capital estimate of £4.2m for works to the St Jude's Road site to provide additional accommodation for Stephen Hawking School (paragraph 3.13);

- e) Approve the additional cost of £60,000 incurred on the works at Malmesbury Primary school due unforeseen structural works as part of the Primary Capital Programme in Appendix D (paragraph 3.19);
- f) Note the School Expansion Programme as detailed in Appendix E (paragraph 3.22);
- g) Approve the adoption of the revised capital estimate of £12.65m for the expansion of Olga Primary School (paragraph 3.23);
- h) Approve the adoption of the revised capital estimate of £10.2m for the development of the Bromley Hall site as a 2FE primary school (paragraph 3.27);
- i) Note progress with the development of further expansion projects and approve the adoption of a capital estimate of £300,000 to cover the costs of developing proposals to be considered for inclusion in the capital programme and authorise expenditure (paragraph 3.31);
- j) Approve the adoption of the capital estimate of £250,000 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 3.32) ;
- k) Note progress with creating early education provision and further consultation with providers as shown in Appendix D (paragraph 3.35);
- l) Approve the proposed redevelopment of 12 Norman Grove and disposal of the site to fund a new children's residential home, subject to further detailed approval and the consent of the Commissioners paragraph 3.37);
- m) Approve the adoption of the capital estimate for expenditure of s. 106 contributions on improvements to health infrastructure at Suttons Wharf of £2,533,383 (paragraph 3.45);
- n) Approve the adoption of the capital estimate for expenditure of s. 106 contributions on improvements to health infrastructure at Goodmans Fields of £3,408,750 (paragraph 3.48);
- o) Approve the adoption of the capital estimate for expenditure of s. 106 contributions on improvements to health infrastructure at Aberfeldy Practice of £3,182,400 ((paragraph 3.51);
- p) Approve the adoption of the total capital estimate of 962,727 for creative healthy projects as part of the Council's Green Grid Initiative (paragraph 3.54);

- q) That Council approved Frameworks be used, where appropriate, to deliver the various projects within the approved programmes;
- r) That the Corporate Director of Children's Services, in respect of all proposed tenders referred to in this report, is authorised to agree tenders for projects within the approved programmes and capital estimate;
- s) That any scheme exceeding the approved budget, the Corporate Director of Children's Services is authorised to prepare and carry out a Bill of Reductions where relevant to ensure expenditure is contained within the agreed costs.

3.0 BACKGROUND

3.1 In the Report to Cabinet on the 5th January 2016, Members approved changes to the capital programme for 2015/16 to 2017/18 for Children's Services, including the 2016/17 capital condition and improvement programme. This report is dealing with the current and proposed future programmes for Children's and Adult's Services.

3.2 The carry forward for 2015/16 for the Children's and Adult's Services is anticipated to £45.869m (see **Appendix A**). The total amount available for 2016/17 to 2018/19 is £93.707m (**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 January 2016 are listed in Appendix C. Further priority works have since been identified and these have also been added to the list for approval.

3.5 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.

3.6 Cherry Trees School – New Entrance and Internal Alterations

3.7 Cherry Trees School is a small special primary school for boys who have a statement of special educational needs for behavioural, emotional and social difficulties, or an education, health and care plan for social, emotional or mental health needs. In addition, the school also runs an outreach service, supporting local schools with pupils with behavioural issues.

3.8 The school occupies a site in Campbell Road, E3, with three buildings and limited external play area. The main building was previously sheltered flats and was converted a number of years ago for use by the

school. A further extension has been added and last year a third separate building was constructed.

- 3.9 Limited changes have been made to the main building since it became a school. The original main entrance to the building is not welcoming and there is limited space for both the reception office and visitors. Visitors, including parents, also have to walk through a main corridor when visiting staff, which is not always appropriate. There is also no suitable space for staff to work with parents, which is seen as important in supporting pupils.
- 3.10 A proposal has been developed to redesign the ground floor of the building to provide a new welcoming main entrance, administrative office and family room. Planning permission will be sought with the aim to complete the new accommodation for the autumn term 2016.
- 3.11 It is recommended that a capital estimate of £220,000 for the works be approved. The school will fund the fitting out and any furniture required
- 3.12 **Stephen Hawking Special School – Additional Accommodation**
- 3.13 The Council has a statutory duty to provide sufficient school places for children of school age. Where the child has SEN, a place at a special school may be appropriate to meet their specific needs.
- 3.14 Stephen Hawking Special School is located in Brunton Place, London E14 and is a one form entry school for primary aged children with profound and multiple learning difficulties. Based on the guidance from the DfE (Building Bulletin 102 – Range B/D), the capacity of the school is approximately 56 pupils. However, owing to the increasing demand for such places the number on roll is nearer 90.
- 3.15 There are no practical options for expanding the existing site, but there is the opportunity to consider using the site in Bethnal Green previously occupied by the Beatrice Tate Secondary Special School. This could be adapted to provide the early years unit, which would then release space at the existing school. The school, over the two sites, would then meet the guidelines for a 2 FE Special school.
- 3.16 It is recommended that a capital estimate of £4.2m for the works be approved.
- 3.17 Where appropriate Council approved Frameworks will be used to deliver the various projects within the approved programmes.

3.18 **Primary Capital Programme (PCP)**

- 3.19 The PCP has been completed. The remaining project is Malmesbury Primary where the final account is still to be agreed (Appendix D). During the course of the works there was a delay due to unforeseen structural works. Although the cost of the additional works could be covered from the contingency the contractor has claimed for loss of time.
- 3.20 Evidence of their claim has now been received and will increase the final cost by an estimated £60,000. It is recommended that the cost be approved so that the Final Account can be agreed.

3.21 **School Expansion Projects (Appendix E)**

- 3.22 In January 2016, Cabinet approved funding for a number of projects within the Primary School Expansion programme for 2015/16 to 2017/18 amounting to £45.811m. The works at Cayley, Stebon and Woolmore schools have now been completed.
- 3.23 The approved capital estimate for the expansion of Olga Primary School is £11.8m. This was based on the original estimate for the construction works, temporary accommodation and loose furniture and equipment.
- 3.24 Following a procurement process undertaken by Tower Hamlets Schools Ltd, as the school is included in the Grouped Schools PFI contract, the lowest tender received was above the estimated cost. This was mainly due to increased costs within the construction market and also the complex phasing involved to enable the school to remain open during the construction.
- 3.25 A value engineering exercise was carried out to review the costs and the tendered price was reduced to £11.77m. This was also subject to a financial review to confirm that the cost was value for money.
- 3.26 Together with the costs for the temporary accommodation, loose furniture and equipment and a contingency, the revised capital estimate is £12.65m.
- 3.27 A capital estimate of £9.0m was approved by Cabinet in May 2015 to develop the use of the Bromley Hall School site as a 2 forms of entry primary school with 2 nursery classes. The estimate was based on an initial feasibility undertaken in 2014.
- 3.28 The scheme has been developed in partnership with Bouygues UK using the Strategic Partnering Agreement entered into by the Council and Bouygues. This was seen as the best route to achieve the initial Reception pupil places being available from September 2017. The availability of places in September 2017 remains subject to planning

consent and programme considerations and the opening may be implemented from September 2018.

3.29 The design has now been agreed and the costs have been reviewed to ensure value for money. The revised construction cost is now £9.4m. Together with the cost of the loose furniture, preparation of the site to allow access for the contractor and associated costs, the revised capital estimate is now £10.2m.

3.30 **Project Development and Provision for Temporary Accommodation**

3.31 There is a need to continue with the 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 £300,000 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.

3.32 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 £250,000 is included in the programme as a financial provision.

3.33 With both the above allocations, where funds are not required they will be included in the main programme for re-allocation.

3.34 **Early Education Provision**

3.35 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.

3.36 **Children's Residential Accommodation**

3.37 Until March 2015, the Council operated two residential children's homes at 89 Bishops Way and 12 Norman Grove each providing 6 bed spaces. The service has now determined that 6 bed spaces only are required and 89 Bishops Way has closed. 12 Norman Grove is recognised as not fit for purpose for a modern children's home and the building is too large for current needs. The Council receives no form of capital grant for this provision and so the option of redeveloping part of the site for housing to fund a new children's home has been investigated and found to be feasible. The review has shown that there is sufficient potential value from the disposal of part of the site for residential development to fund the costs of building a new residential home.

- 3.38 It is proposed that the Council will appoint a design team to develop a scheme for the site to include a new children's home and housing. Once a scheme is developed, the site will be recommended for disposal on the basis that the purchaser provides the children's home for which the Council will take a long lease. The proceeds of sale will fund the costs of providing a new children's home. It is recommended that the disposal of the site is agreed in principle, subject to a further detailed report. The disposal of 12 Norman Grove will subject to a further report to Cabinet and the Commissioners' consent.
- 3.39 Subject to the report to Cabinet in June, planning approval and subsequent consent to the detailed scheme, it is proposed that the earliest work could start to redevelop the children's home is spring 2017. 89 Bishops Way is being retained to provide decant space during the works.
- 3.40 **Public Health Expenditure (Appendix F)**
- 3.41 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.
- 3.42 Four 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.
- 3.43 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.
- 3.44 Details of the projects are as follows:
- 3.45 Suttons Wharf. The shell and core of the development at Suttons Wharf is approaching completion and s106 funding is sought to undertake the fit out of the premises to enable a re-provision for the Globe Town

Practice. Suttons Wharf will provide purpose built accommodation to house core and enhanced GP primary care services within a GIA of ~929m².

- 3.46 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.
- 3.47 The estimated cost of the Suttons Wharf fit out is £2,533,383. Cabinet is recommended to adopt a capital estimate of £2,533,383 for this project to be funded from the identified s. 106 contributions. A payment schedule for the funds will be agreed. Any unspent funds will be retained in the s106 health account.
- 3.48 Goodmans Field. The shell and core of the development at Goodmans Field is underway and discussions between the NHS and the developers over a lease terms have commenced. S106 funding is sought to undertake the fit out of the premises to enable a re-provision for the Whitechapel Health and City Wellbeing Practices. Goodmans Field will provide purpose built accommodation to house core and enhanced GP primary care services within a GIA of ~1250m².
- 3.49 NHS Tower Hamlets CCG advise the current Practice premises are not fit for purpose on a functional and capacity level. The size of the current premises makes comprehensive primary care delivery difficult and provides no capacity for the anticipated population growth in the area.
- 3.50 The estimated cost of the Goodmans Field fit out is £3,408,750. Cabinet is recommended to adopt a capital estimate of £3,408,750 for this project to be funded from the identified s. 106 contributions. A payment schedule for the funds will be agreed. Any unspent funds will be retained in the s106 health account.
- 3.51 Aberfeldy Practice. The Aberfeldy estate re-development is underway which include a shell and core primary healthcare facility and discussions between the NHS and the developers over a lease terms have commenced. S106 funding is sought to undertake the fit out of the premises to enable a re-provision for the Aberfeldy Practice. This will provide purpose built accommodation to house core and enhanced GP primary care services within a GIA of ~1167m².
- 3.52 NHS Tower Hamlets CCG advise the current Practice premises are not fit for purpose on a functional and capacity level. The size of the current premises makes comprehensive primary care delivery difficult and provides no capacity for the anticipated population growth in the area.

- 3.53 The estimated cost of the new Aberfeldy Practice fit out is £3,182,400. Cabinet is recommended to adopt a capital estimate of £3,182,400 for this project to be funded from the identified s. 106 contributions. A payment schedule for the funds will be agreed. Any unspent funds will be retained in the s106 health account.
- 3.54 The Council's Public Health Team sees an association between the creation of green spaces and healthy living. By improving the physical environment, it aims to create conditions for encouraging physical exercise and improving mental well-being. Cabinet is recommended to adopt a capital estimate of £962,726. for four projects to be funded from the identified s. 106 contributions earmarked for "curative health" into preventive health as part of the Council's **Green Grid Initiative**. This has the support of the NHS Tower Hamlets Capital and Estates for this approach.
- 3.55 The 4 proposed projects are;
- 3.56 Andrew Street. The project aims to reduce the tarmac and paving at the (dead) end of little used Andrew Street and replace it with porous surface and trees, in effect extending the boundary of Jolly's Green. The site is on the Green Grid and provides linkages to Jolly's Green from across the A12.
- 3.57 Buxton Street East. Tree planting to form an avenue with existing and new trees and works to make a park entrance from the bollards which prevent vehicular traffic. The site provides an opportunity to improve the entrance to the Allen Gardens and develop an improved walking and cycling route.
- 3.58 Buxton Street West. Works to The works include landscaping of the footpaths, street furniture, paving and signage. Incorporate bespoke site benches / bollards and a knee rail where necessary to prevent vehicles entering the park. Include a low level paving/ artwork feature to complement the stone entrance feature in SW corner of Allen Gardens. New meadow and perennial planting. The site is on the Green grid and located on the western side of the borough which is particularly deficient in public open space.
- 3.59 Bow School. Works clearing of site, landscaping and creating access from Gillender Street to create a pocket park near Bow School. The site is an integral part of the Leaway and the objective is to create the park along the northern edge of Limehouse Cut connecting the A12 with Twelvetrees Crescent.

4.0 COMMENTS OF THE CHIEF FINANCE OFFICER

- 4.1 The Children's and Adults Services capital budget for 2016/17 to 2018/19 of £93.707m was agreed at Cabinet on 5th January 2016. The budget reflected the projected 2015/16 carry forward position of circa

£45.869m and the expected government grants known at that point in time. This report now provides an update on the budget to reflect the projected 2015/16 carry forward, known government grants for 2016/17 to 2018/19 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 2016/17 is an overall increase in funding of £4.523m, taking the total programme to £93.707m from the MTFP position of £89.184m reported to cabinet in May 2015. The spending plans currently developed for 2016/17 are to the value of £22.777m and reports seeking the requisite approval for individual schemes will come to Cabinet as required.

5.0 LEGAL COMMENTS

- 5.1 Pursuant to the Council's Constitution, full Council is responsible for the adoption of its budget and policy framework and which includes the allocation of financial resources to different services and projects, proposed contingency funds, (including the recommended Council tax base), setting the council tax and decisions relating to the control of the Council's borrowing requirement, the control of its capital expenditure and the setting of virement limits.

- 5.2 The Mayor as the Executive has responsibility for preparing the draft plan or strategy for submission to the full Council and once a budget or a policy framework document has been agreed, it is the responsibility of the Mayor, the Executive and officers to implement it.

- 5.3 Subject to rules relating to virements, the Mayor, Executive, Committees of the Executive and any officers or joint arrangements can only take decisions which are in line with the budget and policy framework. If any of these bodies or persons wishes to make a decision which is contrary to the policy framework, or contrary to or not wholly in accordance with the budget approved by the Council, then that decision may only be taken by the Council.

- 5.4 Provided therefore that the decisions to be taken are in line with the budget and policy framework agreed by full Council then the proposed recommendations are ones that The Mayor as the Executive can agree.

6.0 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.

7.0 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.

8.0 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.

9.0 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.

10.0 CRIME AND DISORDER REDUCTION IMPLICATIONS

- 10.1 There are no specific implications arising.

11.0 EFFICIENCY STATEMENT

- 11.1 The capital works identified in the report will seek to improve energy efficiency and reduce ongoing maintenance.

APPENDICES

Appendix A – Anticipated Capital Out- Turn 2015/16

Appendix B - Proposed Allocation of Funds 2016/17 to 2018/19

Appendix C - 2016/17 Condition and Improvement Programmes

Appendix D - Primary Capital Programme and Early Education Provision

Appendix E- Adults Services Capital Programme and Public Health

Appendix F - School Expansion Programme

Appendix G – Reconciliation tables