


<b>Cabinet</b> 8 April 2015	 <b>TOWER HAMLETS</b>
<b>Report of:</b> Corporate Director (Communities Localities & Culture) Stephen Halsey	<b>Classification:</b> Unrestricted
Communities, Localities & Culture Directorate Capital Programme 2015/16	

<b>Lead Member</b>	<b>Councillor Shahed Ali, Cabinet Member for Clean and Green</b>
<b>Originating Officer(s)</b>	Robin Beattie – Service Head Strategy & Resources Stephen Adams - Business Finance Partner
<b>Wards affected</b>	All wards
<b>Community Plan Theme</b>	A Great Place to Live
<b>Key Decision?</b>	Yes

### Executive Summary

This report provides details of the schemes within the Communities Localities and Culture (CLC) capital programme with capital finance agreed for expenditure in 2015/16. In order to progress implementation of these schemes, formal adoption of capital estimates is required by Cabinet.

### Recommendations:

The Mayor in Cabinet is recommended to:

1. Include the schemes listed in Appendix A to the report within the Communities Localities & Cultural Services Directorate's 2015/2016 Capital Programme.
2. Adopt Capital Estimates (sum specified in estimated scheme cost column, inclusive of fees) for the schemes as outlined in Appendix A to the report.
3. Agree that where possible the Council's Measured Term Contracts be used for the implementation of the Transport and Highways Works as appropriate

## 1. REASONS FOR THE DECISIONS

- 1.1 Cabinet agreed a Capital programme 2014-2018 on the 4<sup>th</sup> Feb 2015, the approved budget for the period was £26.504m, of which £14.560m relates to FY 2015/16. This report details new schemes and schemes requiring adoption of capital estimate, totalling £8.712m, as outlined in Appendix A, funded from the following sources:

	<b>£'000</b>
Local Implementation Plan (TfL)	2,506
Borough Cycling Plan (TfL)	115
Cycle Superhighways Route 2 Upgrade	750
LBTH Capital	2,580
S106 Developers Contribution (approved by PCOP)	2,761

- 1.2 All schemes link with the Council's Strategic Plan and Community Plan through strategic priorities 2.2 and 2.3 in the Great Place to Live theme. Priority will be given to those schemes which are time constrained and must be subject to practical completion by the 31<sup>st</sup> March 2016.
- 1.3 The revised CLC Directorate Capital Programme for 2015/16 is now £15.917m, which has been amended to take account of decisions taken by the Council, Mayor and officers, including the additional grant resources that have become available.

The following table sets out a reconciliation of the revised capital programme

	£'000
Cabinet Approved schemes – February 2015	14,560
Changes to TfL schemes	772
Additional S106 schemes	585
<b>Revised CLC Capital Programme 2015/16</b>	<b>15,917</b>

- 1.4 PCOP has approved £1,438k of S106 funding for Transportation and Highways works, £550k Bartlett Park, £246k allocated for Bethnal Green Library works, £497k allocated for Public Toilets works and £30k for Community Safety, for works in Kings Arms Court Alleyway E1.
- 1.5 All works are fully funded. Some areas of funding such as S106 are not restricted to delivery in 2015/16 and as work programming develops in more detail, the programme will be further revised to include planned carry forward to 2016/17 if appropriate.
- 1.6 As in previous years the Council's Major Planned Highway Works Contract, CLC 4371 will be utilised for the implementation of the highways programme. This contract was awarded in July 2014 after a comprehensive competitive

tendering process and now includes specialist areas of drainage, street lighting works and professional services in addition to highway maintenance and construction services and commences with effect from October 1st 2014. Other framework contracts shared with partner organisations are also available for utilisation offering potential to test for value for money.

## **2. ALTERNATIVE OPTIONS**

2.1 Nil

## **3. DETAILS OF REPORT**

### **3.1 SCHEMES AND FUNDING SOURCES**

#### **3.1.1 TfL – Local Implementation Plan (LIP) Allocation**

TfL use a formula based approach to allocate local transport funding to London Boroughs which can be used to deliver the programme set out in the Local Implementation Plan 3 for traffic and street scene improvement works and supporting measures for encouraging change in travel behaviour and road safety education. This is a working document which sets out an indicative 3 year rolling programme of works, taking account of the Council's current priorities. In addition a needs-based prioritisation process governs allocation of LIP funding for planned maintenance of principal roads and bridges, while a competitive process still takes place for area-based schemes.

3.1.2 Of the total LIP allocation of £2.506m, the above categories received funding as follows:

	£'000
LIP Corridors, Neighbourhoods and supporting measures	2,025
LIP Principle Road maintenance	301
Local Transport Funding	100
Bridge Assessment & Strengthening	80

Appendix A gives a breakdown of the funding allocation for 2015/16 based on the 3 year delivery plan and the Council's current priorities.

3.1.3 TfL have also provided additional funding for:

Cycle Superhighway Route 2 Upgrade	750
and Borough Cycling Plan	115

### **3.2 Projects Developer Contributions – S106**

3.2.1 The CLC Capital Programme includes £2.761m of Section 106 funding contributions from developments in the borough. Schemes have been

identified and approved at PCOP and are indicated in the programme (Appendix A).

### **3.3 Borough Funded Capital Schemes**

- 3.3.1 A programme of renewal and replacement of the 6m lighting columns that have been identified 'at high amber risk of failure' is scheduled to commence in 2015/16 and £1.6m of Borough Capital funding has been allocated to this project.
- 3.3.2 To address the costs of implementing an ICT solution in 2015/16 that replaces and provides critical upgrades to essential front line customer relationship management functionality following the programmed decommissioning of the Siebel Platform a sum of £550k of Borough funding has been allocated.
- 3.3.3 To fund further Depot Improvements in 2015/16, a £430k funding allocation has been made.

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

- 4.1 This report outlines the detailed Capital Programme for Communities, Localities and Culture for 2015/16, which has new schemes and schemes requiring adoption of capital estimate, totalling £8.712m. Cabinet is requested to note and comment on the revised programme as outlined within Appendix A. The funding for the new schemes is set out in the table below.

<b>Funding Source</b>	<b>Funding Secured £'000</b>
Local Implementation Plan (TfL)	2,506
Borough Cycling Plan (TfL)	115
Cycle Superhighways (TfL)	750
Section 106	2,761
LBTH Capital	2,580
<b>Total Funding Secured</b>	<b>8,712</b>

- 4.2 In utilising the Measured Term Contracts for the Transport & Highways schemes, the Service must be satisfied that these represent value for money for the Council.

## **5. LEGAL COMMENTS**

- 5.1. The Council's chief finance officer, for the purposes of section 151 of the Local Government Act 1972, has put in place financial regulations and procedures for the proper administration of the Council's financial affairs.

Pursuant to financial procedures FP 3.3(5) and 3.3(6), senior managers may only proceed with projects when there is a capital estimate adopted and adequate capital resources have been identified. Cabinet must approve capital estimates in excess of £250,000.

5.2. Before the capital programme is agreed, the Mayor should be satisfied that the projects are capable of being carried out within the Council's statutory functions. Having regard to the various actions proposed in the Appendix to the report, appear to be underpinned by the following statutory functions:

- The Council has a duty under the Highways Act 1980 to maintain highways for which it is the highways authority and where those highways are maintainable at public expense. The Council also has a network management duty under the Traffic Management Act 2004. Section 34 of the 1980 Act empowers the Council to make a declaration converting a private street into a public highway.
- The Local Implementation Plan (LIP) is a statutory document prepared under section 145 of the Greater London Authority Act (GLA Act) 1999 and sets out how the Council proposes to implement the Mayor's Transport Strategy 2 in its area.
- Part III of the Road Traffic Regulation Act 1984 gives the Council the power to establish, alter or remove crossings for pedestrians on roads for which it is the traffic authority.
- Section 65 of the Highways Act 1980 empowers the Council to construct, alter or remove cycle tracks as part of the highway on roads for which it is the traffic authority.
- Part IV of the Road Traffic Regulation Act 1984 allows for the provision of off-street parking places for vehicles and authorises the use of any part of a road as a parking place. These powers are extended by section 63 of the Act to allow provision "in roads and elsewhere of stands and racks for bicycles".
- Part V of the Road Traffic Regulation Act 1984 restricts the placement of road signs by the Council to conform to directions given by the Secretary of State.
- Section 87 of the Public Health Act empowers the Council to provide public toilets. In the event that any of the proposed toilets are sited on roads for which the Council is not the highways authority, consent of the relevant highways authority will be required.
- Section 7 of the Public Libraries & Museums Act 1964 places a general duty on the Council to provide a comprehensive and efficient library service for people who live, work or go to school in their area.
- Section 19 of the Local Government (Miscellaneous Provisions) Act 1976 gives the Council the general power to provide recreational facilities. Ensuring that such facilities are accessible for all abilities complies with the Council's wellbeing duties under both Section 1 of the Care Act 2014 and Section 10 of the Children Act 2004, together with its duties under the Equalities Act 2010.

5.3. It will be the responsibility of officers to ensure that individual projects are carried out lawfully within the Council's statutory functions.

- 5.4. The report sets out the proposed sources of funding. To the extent that grant funding is required, the Council must comply with the terms of any funding agreement. Any funding from monies received under section 106 of the Town and Country Planning act 1990 will need to be in accordance with that Act and the purposes for which the money was provided under each relevant agreement. Any borrowing must be in accordance with the requirements of Part 1 of the Local Government Act 2003 and the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003.
- 5.5. Officers will need to ensure the Council complies with its obligation as a best value authority within the meaning of the Local Government Act 1999 to secure continuous improvement in the way its functions are exercised having regard to the combination of economy, efficiency and effectiveness. The Council must comply with the Public Contract Regulations 2006 and its own procurement procedures in relation to the projects, in respect of the expenditure of both capital funds and any other funds required to fulfil any of the projects.
- 5.6. It should be noted that approval of the capital estimates would not constitute a delegation to the relevant Corporate Director in respect of each scheme. Therefore, each individual scheme should be treated in accordance with the Council's Constitution for the purposes of achieving approval to proceed either under the corporate scheme of management or by separate delegation from the Mayor, in either case in accordance with the appropriate Council procedures.
- 5.7. Having procured the framework and call off contracts relating to landscaping works and the highways works, in order to achieve best value these framework and call off contracts should usually be used for the implementation of the relevant works packages. However, the procurement for the hard and soft landscaping frameworks was abandoned so separate tenders or use of other frameworks must be considered. The Council should also consider the value and risk involved in each work package and the nature of funding when determining whether to issue the work through the relevant framework or call off contract on a project by project basis.
- 5.8. Before selecting projects for inclusion in the capital programme, 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 don't (the public sector equality duty). Some form of equality analysis will be required which is proportionate to the selection being made.

## **6. ONE TOWER HAMLETS CONSIDERATION**

Extensive public and stakeholder consultation was carried out on the LIP2 from which these schemes originate. An Integrated Impact Assessment completed in parallel took account of equalities impacts of the plan overall

which included specific actions such as better street lighting, accessibility, road safety and personal safety improvements to seek to ensure improvements are provided for all. In addition individual schemes are designed with due regard to guidance on providing for people with mobility handicaps and vulnerable road users.

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

The use of monies as outlined within the report will support current policies to improve the local environment, accessibility and safety.

## **8. RISK MANAGEMENT IMPLICATIONS**

- 8.1 In order to minimise financial risk, no expenditure will be incurred without confirmation of allocations being approved by TfL, PCOP or other funding agencies.
- 8.2 In order to minimise road safety and construction risk, road safety audits are carried out on all scheme designs, contractors are required to provide site specific health & safety plans and works are monitored through the Network Management permit process.
- 8.3 In order to minimise, as far as is practicable, the risk of abortive work as a result of major construction schemes Development and Renewal will be asked to provide monthly updates of known construction starts to the Transportation and Highways section of CLC.

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

The majority of projects focus on improving the street scene of the borough and in so doing will contribute to designing out crime and making people feel safer using streets locally. LIP guidance requires schemes to take into consideration the Council's duties under S17 of the Crime & Disorder Act. This is exemplified by the proposed improvement to street lighting included in the Wentworth Street scheme at the request of community safety officers to address prostitution and anti-social issues in the area.

## **10. EFFICIENCY STATEMENT**

All works will be delivered through Contract CLC 4371 which commenced on October 1<sup>st</sup> 2014 after an extensive competitive tendering process. This contract includes 4 Lots for highway maintenance, capital improvements, street lighting maintenance and street lighting improvements. Officers will regularly test to ensure the contract continues to offer best value for money.

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## **Linked Reports, Appendices and Background Documents**

### **Linked Report**

- None.

### **Appendices**

- Appendix A

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

- None

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

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