


<p><b>Cabinet</b></p> <p>26 June 2019</p>	 <p><b>TOWER HAMLETS</b></p>
<p><b>Report of:</b> Ann Sutcliffe, Corporate Director of Place</p>	<p><b>Classification:</b> Unrestricted</p>
<p><b>Capital Programme: Approvals</b></p>	

<b>Lead Member</b>	<b>Mayor Biggs</b>
<b>Originating Officer(s)</b>	Jane Abraham / John Mitchell
<b>Wards affected</b>	ALL
<b>Key Decision?</b>	Yes
<b>Forward Plan Notice Published</b>	Yes
<b>Reason for Key Decision</b>	Financial Threshold
<b>Strategic Plan Priority / Outcome</b>	<p>1. People are aspirational, independent and have equal access to opportunities;</p> <p>2. A borough that our residents are proud of and love to live in;</p> <p>3. A dynamic outcomes-based Council using digital innovation and partnership working to respond to the changing needs of our borough.</p>

### **Executive Summary**

This report seeks formal approval for pipeline schemes to be adopted into the Council's Capital Programme and proceed to procurement ahead of the scheduled quarterly monitoring process in order to maintain pace of delivery.

The Place Directorate also seeks approval that future reports may be considered in between Finance quarterly monitoring in order to maintain best pace for capital programme delivery.

### **Recommendations:**

The Mayor in Cabinet is recommended to:

1. Adopt listed pipeline schemes as set out in **Appendix A** into the Council's approved capital programme
2. Agree that approval to proceed to award contracts for works and services be delegated to the Corporate Director, Place in consultation with the

Corporate Director, Law Probity & Governance, subject to tenders being within the capital estimate amount and scheme PIDs being approved at Capital Strategy Board.

3. Note and approve the increased scheme costs for the Interim Depot Provision (item 4.6)
4. Adopt proposals for capital reports to be presented to Cabinet in-between finance quarterly monitoring as required, following approvals gained at the Capital Strategy Board.

## **1 REASONS FOR THE DECISIONS**

- 1.1 Capital schemes have advanced through a new governance protocol and under the Councils financial regulations, now require formal approval for adoption into the Council's Capital Programme.

## **2 ALTERNATIVE OPTIONS**

- 2.1 The current approvals route for capital programme is through the Quarterly Monitoring Report prepared by Corporate Finance.
- 2.2 The next opportunity for approvals to incorporate pipeline schemes into the programme is late July 2019.
- 2.3 The Capital Delivery Team were instructed to prepare pipeline schemes at best pace in preparation for Cabinet approvals and have done so with 60 schemes advancing through the new governance process under revised guidance.
- 2.4 In order to maintain pace of delivery this report seeks approval for the schemes listed and seeks further approval for additional cabinet reports to be prepared for consideration as required in-between quarterly reporting as required.

## **3 DETAILS OF THE REPORT**

- 3.1 Outputs from separate housing and non-housing reviews have led to a coordinated approach to capital programme delivery in support of the Council's strategic priorities and new Capital Programme governance arrangements.
- 3.2 Currently, quarterly reports are based on month 2, 5 and 8 rather than 3,6,and 9 which will allows Cabinet reporting for the quarter to be at the end of July, October and January.

- 3.3 The current reporting arrangements are presenting difficulties in schemes proceeding to procurement at the pace required. On this basis and in light of the robust governance arrangements now in place, a faster route to an approved budget allocation and procurement is presented for consideration.
- 3.4 This report seeks approval for a number of schemes, having advanced through the Capital Strategy Board, to be formally approved by Cabinet and adopted into the Capital Programme
- 3.5 The report seeks further approval to allow the Capital Delivery Team to prepare reports for consideration as required in the future at a frequency that falls between finance quarterly monitoring in order to maintain delivery at best pace as schemes are approved through the Capital Strategy Board.
- 3.6 See Appendix 1 for new scheme Strategic and Budget detail.

#### **4.0 SUMMARY OF SCHEME DETAILS**

##### **4.1 Schools Condition and Improvement Programme 2019-20: Value £3,000,000**

To secure approval of capital funding to enable a programme of capital renewals and enhancements to be carried out at schools during the Summer Holidays. The works included are where building components are deemed near either the end of its useful life or imminent failure or require alterations to improve pupil sufficiency. These are required to keep the Council's Schools Estate fit for purpose and to meet the Council's Community Strategy Priority 1 of People accessing a range of education, training, and employment opportunities intact.

##### **4.2 Building Fabric works to sites within the Corporate Estate: Value £2,715,000**

To secure approval of capital funding to allow high priority fabric condition works to be undertaken to various buildings within the Corporate Estate. These works will ensure the building structures are weather tight and will prolong the lifespan and enhance the environment of each building.

##### **4.3 Mechanical and Electrical works within the Corporate Estate: Value £3,605,000**

To secure capital funding to allow the procurement and delivery of the refurbishment and replacement of defective/ end of life Mechanical and Electrical plant across the Corporate Landlord Estate. All as identified on the Forward Maintenance plan for core plant and equipment to ensure the PPM program is delivered.

4.4 Gascoigne Greening Project:  
Value £301,000

To secure capital funding for the Gascoigne Greening Project, which will develop the green space and estate curtilage in the area surrounding Dunmore Community Hut, Dunmore Point and to the north of Wingfield House, in accordance with London Borough of Tower Hamlets Green Grid and Open Space Strategies.

4.5 Waste and Cleansing IT Systems:  
Value £750,000

To procure the required technology solution to support the delivery of the in-house integrated waste, recycling and cleansing service from 1st April 2020 as envisaged when the Mayor in Cabinet approved to bring the service in house on 31st October 2018.

4.6 Interim Depot Provision Exception Record:  
Value £615,000

To secure approval for an additional budget allocation to enable the delivery of an interim depot and authority to appoint a supplier.

A budget allocation of £483,000 has been approved in the Current Capital Programme for the Interim Depot Provision with £98,000 committed to other costs, leaving £385,000 uncommitted.

A budget increase is required to cover the cost of the delivering the Interim Depot Provision in light of the tender returns. If the contract is awarded to this supplier, the total scheme cost will be in region of £1,000,000. The additional budget allocation required to enable this scheme to be delivered is £615,000.

## **5 EQUALITIES IMPLICATIONS**

5.1 The Council has a public sector equality duty under the Equalities Act (2010) to have due regard to:

- Tackle discrimination and victimisation of persons that share the characteristics protected under S4 of the Act. These include the characteristics of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex (formerly gender) and sexual orientation;
- Advance equality of opportunity between people who share those protected characteristics and people who do not;
- Foster good relations between people who share those characteristics and people who do not.

- 5.2 This report sets out scheme details and costs for the adoption of new and revised schemes into the Council's capital programme.
- 5.3 Any decisions taken by the Council which relate to this report will have been subjected to an equality analysis during the capital governance process with details recorded in scheme PIDs prior to a decision to implement is made. The Council continues to monitor the impact on residents who share protected characteristics as part of the ongoing public sector equality duty.

## **6 OTHER STATUTORY IMPLICATIONS**

6.1 This section of the report is used to highlight further specific statutory implications that are either not covered in the main body of the report or are required to be highlighted to ensure decision makers give them proper consideration. Examples of other implications may be:

- Best Value Implications,
- Consultations,
- Environmental (including air quality),
- Risk Management,
- Crime Reduction,
- Safeguarding.

6.2 There are no other statutory implications contained in this report

## **7 COMMENTS OF THE CHIEF FINANCE OFFICER**

7.1 The capital schemes contained within this report will cost £10.915m to deliver in full. Each scheme is supported by a detailed PID document outlining the breakdown of costs. A total of £6.903m is forecast to be spent in 2019/20, £2.042m in 2020/21 and the remainder (£2.042m) in 2021/22.

7.2 There are a number of sources that will be used for funding these schemes. The schools improvement programme (£3m) will be funded in full from Capital Maintenance grant. S106 monies have been approved for the Gascoigne Greening Project (£0.301m) and the remainder (£7.685m) will be funded from capital receipts.

7.3 A budget of £20m has been included within the capital programme, from capital receipts for the purpose of funding new schemes in 2019/20. It is this budget that will be used to cover these remaining projects. No other commitments have to date been made against this funding.

## **8 COMMENTS OF LEGAL SERVICES**

8.1 The Council has the legal power to enter into contracts and perform the actions recommended in this report

- 8.2 The Council has a legal duty to ensure that it achieves Best Value in respect of its expenditure. Recommendation 2 shows that the expenditure will be subject to competitive tendering and provided that tenders are evaluated on a Most Economically Advantageous basis this will significantly assist to demonstrate that the Council is complying with this legal duty. Also, the Council will monitor the delivery of the schemes to ensure that the objectives of each contract are met.
- 8.3 The sums in respect of works referred to in this report are below the relevant European Threshold and therefore it is unlikely that European tendering will be required for works. However, associated services may exceed the lower services threshold, in which case the relevant procurements will follow the Public Contracts Regulations 2015
- 8.4 There are no immediate Equality Act issues arising from this report.
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## **Linked Reports, Appendices and Background Documents**

### **Linked Report**

- NONE

### **Appendices**

Appendix 1 - Strategic and Budget detail.

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

- NONE

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

N/A