


<p>Cabinet</p> <p>25 September 2019</p>	 <p>TOWER HAMLETS</p>
<p>Report of: Ann Sutcliffe – Corporate Director of Place</p>	<p>Classification: Unrestricted</p>
<p>Capital Programme: Approvals</p>	

Lead Member	Mayor John Biggs
Originating Officer(s)	John Mitchell – Place - Capital Programme PMO
Wards affected	All Wards
Key Decision?	Yes
Forward Plan Notice Published	9 August 2019
Reason for Key Decision	Financial Threshold
Strategic Plan Priority / Outcome	<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 and exception reporting to be adopted into the Council's Capital Programme and to proceed to procurement ahead of the scheduled quarterly monitoring process in order to maintain pace of delivery.

Recommendations:

The Mayor in Cabinet is recommended to:

1. Adopt listed pipeline and adjusted 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, Governance and Corporate Director Resources, subject to tenders being within tolerance of the capital estimate amount and scheme PIDs being approved at Capital Strategy Board; and

3. Note and approve costs and scope to advance to contract for Housing schemes in the current capital programme as listed **Appendix B**.

1 REASONS FOR THE DECISIONS

- 1.1 Capital schemes have progressed through the capital programme governance protocol and under the Council's financial regulations, now require formal approval for adoption into the Council's Capital Programme.

2 ALTERNATIVE OPTIONS

- 2.1 An alternative route for capital programme approvals is through the Quarterly Monitoring Report prepared by Corporate Finance.
- 2.2 The next opportunity for approvals via quarterly monitoring in order to incorporate pipeline schemes into the programme is late November 2019.
- 2.3 The Capital Delivery Team have progressed pipeline schemes that meet the Council's Strategic priorities and Mayoral Pledges and which were agreed in principle in Appendix 9D of the Capital Programme approved by Cabinet in January 2019, through the capital governance process under revised guidance, to seek programme-specific budget approvals.
- 2.4 In order to maintain pace of delivery, this report seeks approvals for the schemes listed under **Appendices A & B** to enable the delivery of the Council's strategic priorities without delay.

3. DETAILS OF THE REPORT

- 3.1 This report seeks approval for capital pipeline schemes listed in **Appendix A**, having advanced through the governance process to a Capital Strategy Board recommendation that these schemes be formally approved by Cabinet and adopted into the Councils' Capital Programme.
- 3.2 In addition, this report seeks approval for exceptions to scope and amendments to budget profiling arising from Housing Capital Schemes in the current capital programme as listed in **Appendix B**.
- 3.3 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.

4.0 **SUMMARY OF PIPELINE SCHEMES**

4.1 **Biodiversity, community gardening, horticulture:** **Value £0.200M**

The purpose of this project is to enhance biodiversity, promote and support community gardening and horticulture, and encourage active use of the parks by all, in particular working in collaboration with local residents and organisations. This project will deliver a minimum of three community gardening projects to enhance biodiversity. The programme will also include enhancing horticulture in a number of parks and gardens targeted for other improvements. Approval is sought for **£0.2M**, as set out in **Appendix A**.

4.2 **Mitigating ASB (project specific) through Quality Parks:** **Value £0.500M**

This project seeks to Protect, Create and Enhance open space in the borough, through the enhancement of existing open space being of crucial importance, given the limited opportunities there are for creating new open space. This means it is particularly important to explore what measures are most effective in mitigating ASB. Approval is sought for **£0.5M**, as set out in **Appendix A**.

4.3 **Quality Parks Programme:** **Value £5M**

On 31st October 2018, a budget allocation for the commencement of the Quality Parks programme was approved by Cabinet as part of Q2 budget monitoring. The value of the total Quality Parks Programme is **£5M**, as set out in **Appendix A**, and this was included in the £133.686M budget allocation for new capital schemes that meet Strategic Priority Outcome 2.1 (Clean and Green), as set out in Appendix 9D of the January 2019 Cabinet report. The programme covers a range of initiatives including:

- Enhancing parks where we are doing other improvements, including playgrounds, sports facilities, signage, but where there is a need to upgrade other aspects of the park: railings, benches, bins, path surfaces and planting.
- Carrying out Feasibility Studies on two key areas of the borough: South Isle of Dogs and the Aberfeldy Estate.
- Delivering programmes developed through feasibility work including, South Isle of Dogs, Aberfeldy and Allen Gardens.

This report seeks approval to adopt the scheme into the capital programme and to proceed to programmed procurement as outlined.

4.4 Clichy Estate (Harriot Pattison & Apsley House):
Value £2M

This project comprises the first stages of design and consultation for new council homes on the Clichy Estate (Harriot, Pattison & Apsley House) Regeneration Scheme. Approval is sought for £2m to deliver the design and consultation phase, to undertake an options appraisal for the estate, and deliver a planning application for redevelopment of part of the estate currently occupied by the community buildings.

A budget allocation of £126.188m for new capital schemes that meet Strategic Priority Outcome 2.2 (affordable homes and well-designed neighbourhoods), was approved by Cabinet in January 2019 and set out in Appendix 9D of the Cabinet report. This report requests draw down of **£2M**, as set out in **Appendix A**, to progress the design and consultation stages of this project. A further budget allocation will be required to take this scheme into the construction phase.

4.5 Ashington House:
Value £1M

The scheme sets out the approach for the first phase of the Ashington House Project. Approval is sought for £1m to progress a scheme design and consultation to RIBA Stage 2/3. This builds on an earlier stock condition survey conducted by Ridge & Partners in 2018, which considered Ashington House to be no longer fit for purpose.

A budget allocation of £126.188m for new capital schemes that meet Strategic Priority Outcome 2.2 (affordable homes and well-designed neighbourhoods), was approved by Cabinet in January 2019 and set out in Appendix 9D of the Cabinet report. This report requests draw down of **£1M** from this allocation to fund the design and consultation stage, as set out in **Appendix A**.

4.6 Signage, Interpretation, Heritage:
Value £0.250M

The purpose of this project is to review and improve signage, interpretation, accessibility and heritage in all parks across the borough. This will include upgrading existing heritage boards in parks, working in collaboration with local history organisations and resources, improving interpretation in parks relating to nature and biodiversity, and enhancing signage and interpretation in Green Flag sites. The programme will also include the creation of guided walks and on line resources about our parks.

The project will cost **£0.25M** across a four year period, as set out in **Appendix A**.

4.7 Wood Wharf - primary healthcare facility for the Isle of Dogs:
Value £5.780M

LBTH placed an obligation of the developer Canary Wharf Group PLC to allocate a site within the Wood Wharf development dedicated to healthcare as part of their s106 obligations to enable the provision of primary health care to an increased population in the ward; the Health Centre will be designed to accommodate a significant proportion of this projected population increase.

The allocated site has a target GIA of 1,076sqm and is located in close proximity to the new primary school being developed within the Community. With the new health centre serving both the existing and new population of the catchment area, with sustained residential growth on the Isle of Dogs – with the Wood Wharf site being central to the central and North East of the areas developments.

The project will cost **£5.78M**, as set out in **Appendix A**.

4.8 Refurbishment of Montefiore Centre:
Value £1.950M

The Montefiore Centre is to be completely refurbished with the main works including window overhaul programme, redecoration, new boilers, an electrical re-wire and installation of a roof garden. The works will take place with the current tenants in situ and they will be offered first refusal on units on completion of the work programme. Any vacant units will be offered to let on the open market as the refurbishment comes to completion. Once fully let the building will generate an income of circa £275K per annum and provide the following facilities:

- Café
- Community office space
- Commercial office space
- Training / meeting rooms
- Workspace
- Event space including roof garden

A 2018/19 budget allocation of £1M was approved by Cabinet in the quarterly budget monitoring report in July 2018, which stated that this was part of the overall project cost. This report seeks approval for the 2019/20 budget allocation of a further **£950K** to enable the project to be completed, as set out in **Appendix A**.

4.9 St Georges Town Hall Refurbishment:
Value £1.988M

St Georges Town Hall is a Grade II listed building being refurbished to create a new head office location for the Registrar service. The building will provide two large refurbished ceremony rooms, a café, a new archive and vault, and rooms for meetings or training. The Metropolitan Police will continue to have a

presence in the basement of the building. As part of the project the offices currently occupied by the Registrars are expected to be rented to generate an income of circa £130K p.a.

A 2018/19 budget allocation of £750K was approved by Cabinet in the quarterly budget monitoring report in July 2018, which stated that this was part of the overall project cost. This report seeks approval for a revised budget allocation of a further **£1.238M** following competitive tendering which resulted in an increase in contract cost due to necessary changes to project scope.

4.10 Liveable Streets Programme 2019-20: Value £2M

The Liveable Streets programme will enhance public realm in 17 areas across the borough. It incorporates the School Streets programme which is integrated in many cases to the work in the Liveable Streets zones. This report seeks approval for **£2M** for 2019/20, as set out in **Appendix A** ahead of a further approval of £27.710M for future years being brought forward in due course. The scheme will achieve the following:

- a) To deliver the Council's Love Your Neighbourhood agenda.
- b) The project represents a step change in the quality of the public realm, enhancing walking and cycling, greening the streets making them a more attractive space to be and thus encouraging active travel in a healthier environment.
- c) To implement a package of public realm improvements across the Borough linked to the Council's Air Quality Management Plan, Town Centre Strategy, Child Health Strategies etc.

4.11 Street Tree Planting Programme: Value £1M

The Street Tree Planting project will see street trees planted across Tower Hamlets. This project sets out the proposal to plant street trees across the London Borough of Tower Hamlets as part of the Mayor's manifesto pledge.

This Project Initiation Document (PID) sets out the approach for the delivery of the planting of 1,000 Street Trees In support of the Mayor for Tower Hamlets 'Love your Neighbourhood' initiative and the manifesto pledge to plant 1000 street trees a financial commitment and investment of £333k per annum over the next three years has been approved to plant 1,000 street trees within the public Highway.

4.12 Accelerated Footway and Carriageway Planned Maintenance:
Value £15M

This accelerated programme for Footway and Carriageway Planned Maintenance is programmed in two tranches over 10 years, with a total projected cost of £75.649M. This report seeks approval of **£15M** for 2019/20, as set out in **Appendix A**, which is part of the first tranche of **£40.539M** for the next three years of the project which will be brought forward in Q2 budget monitoring. The programme will achieve the following:

- a) Continue to deliver the Council's Love Your Neighbourhood agenda.
- b) The project represents a step change in the quality of public highway, footway and Carriageway improvements over and above the minimum standard which the Council is obliged to provide.
- c) Implement a package of public realm improvements across the Borough linked to the Council's statutory duty to maintain the public highway within the Highways Act 1980.

4.13 Accelerated Street Lighting and LED Replacement Programme:
Value £7M

This accelerated programme for Street Lighting and LED replacement seeks additional approval for **£7M**, as set out in **Appendix A** and in accordance with previous commitments. The scheme will achieve the following:

- a) Deliver the Council's Love Your Neighbourhood agenda.
- b) The project represents a dramatic improvement in the quality of public lighting standards over and above the minimum standard which the Council is obliged to provide.
- c) Implement a package of public lighting upgrades in the public realm across the Borough linked to the Council's statutory duty to maintain the public highway within the statutory obligations of Highways Act 1980.
- d) Deliver revenue budget savings based on lower energy consumption and ease of maintenance

5 HOUSING CAPITAL PROGRAMME – UPDATE

5.1 Strahan Road:
Value £4.820M

The Strahan Road scheme proposes to replace a former housing office with a new community space and 9 new flats. Planning consent has been granted.

The budget allocation of £4.5M was approved by Cabinet in January 2019 (Appendix 9B). A budget of **£4.820M** is now required and seeks approval to

proceed to contact following competitive tender resulting in an increase in tender as service costs as set out in **Appendix B**.

5.2 **St Pauls Way:**
Value £8.7M

This scheme will redevelop the former health centre at 99 St Pauls Way to provide a new community space on the ground floor with 23 new homes above. Planning consent has been granted.

A budget allocation of £21.2M was approved by Cabinet in January 2019 (Appendix 9B), when the expectation was that the development could achieve a greater number of new homes. A budget of **£8.7m** is now required and seeks approval to proceed to contact following competitive tender as set out in **Appendix B**

6 EQUALITIES IMPLICATIONS

6.1 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.

6.2 This report sets out scheme details and costs for the adoption of new and revised schemes into the Council's capital programme.

6.3 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.

7 OTHER STATUTORY IMPLICATIONS

7.1 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.

7.2 There are no other statutory implications contained in this report

8 COMMENTS OF THE CHIEF FINANCE OFFICER

8.1 This reports seeks approval for £41.897m pipeline schemes and £13.520m housing schemes as detailed in appendices A and B. These will be monitored through the newly agreed capital governance procedures of the Council.

9 COMMENTS OF LEGAL SERVICES

9.1 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 against the terms of the legally binding contracts to ensure that the objectives of each contract are met.

8.3 There are a number of schemes identified in this report which constitute works for the purposes of the Public Contracts Regulations 2015 and whose value of expenditure is likely to exceed the threshold of £4,551,413. A procurement for works where the estimated value of the resultant contract is greater than this threshold must be subject to the full European law tendering regime as described in the 2015 regulations. Where the estimated contract is less than this sum, then a reasonable level of advertising commensurate with the scope and complexity of the project must be used.

8.4 There are no immediate Equality Act issues arising from this report.

Linked Reports, Appendices and Background Documents

Linked Report

- NONE

Appendices

Appendix A - Capital Pipeline Schemes for approval

Appendix B - Exception reporting existing programme for approval

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

- NONE

Officer contact details for documents:

N/A