#### Grants Determination (Cabinet) Sub-Committee report

12 January 2022



Classification: Unrestricted

Report of Ann Sutcliffe, Corporate Director, Place

**London Square CIL Funding (Town Hall Project)** 

Lead Member	Mayor John Biggs
Originating Officer(s)	Yasmin Ali – Project Director (Town Hall) Charlie Carter – Assistant Project Manager (Town Hall)
Wards affected	Whitechapel
Key Decision?	Yes
Forward Plan Notice	Yes
Published	
Reason for Key Decision	Capital expenditure in excess of £1,000,000.
Strategic Plan Priority /	A borough that our residents are proud of and love to
Outcome	live in

#### **Executive Summary**

Authorisation is sought from the Grants Determination Sub-Committee to use £1,486,800 of Community Infrastructure Levy (CIL) funding to deliver the London Square (working title) project on behalf of Barts NHS Trust (Barts) and the London Borough of Tower Hamlets (LBTH). The project forms an important part of the wider town hall project (although funded and delivered separately), which will bring the Grade II listed former Royal London Hospital back into public use as the council's civic and administrative headquarters.

London Square refers to the parcel of land situated between town hall site and the hospital. The site is primarily owned by Barts, however roughly 20% falls within LBTH ownership (See Appendix 1). In February 2018, the town hall team presented a Project Initiation Document (PID) to Cabinet which sought the allocation of £1,486,800 of CIL funding to deliver the London Square project. The allocation of funding was approved, and a corresponding capital estimate was adopted.

In the 2018 PID, legal officers commented that as the funding will deliver public realm

improvements that will benefit an external organisation (Barts), LBTH are under no legal obligation or duty to provide this payment; it is discretionary and considered to be a grant. As a result, approval from the Grants Determination Sub-Committee is required prior to proceeding with the works. LBTH will remain the sole holder of the budget and will lead the project through to completion.

The aims of the project remain consistent with those listed in the 2018 PID approved by Cabinet:

- To provide a civic setting for the new town hall development;
- To provide strong visual amenity for the local area in between two commercially dense (employment) sites;
- To build accessible routes through the Whitechapel Masterplan area

#### Recommendations:

The Grants Determination Sub-Committee is recommended to:

- 1. Authorise the use £1,486,800 of Community Infrastructure Levy (CIL) funding to deliver the London Square (working title) project on behalf of Barts NHS Trust (Barts) and the London Borough of Tower Hamlets (LBTH);
- 2. Delegate the Corporate Director Place the power to authorise the execution of any agreements necessary to give effect to recommendation 1.

#### 1 REASONS FOR THE DECISIONS

- 1.1 The London Square project is an important part of the wider town hall project that will bring the former Royal London Hospital site back into public use as the council's main administrative and civic headquarters. London Square refers to the piece of land between the new town hall development and the new Royal London Hospital building.
- 1.2 The proposed works will deliver improvements to the public realm and address the current under provision of public open space in the Whitechapel area. The works will also create a new welcoming setting and amenity for the Town Hall development and improve the visual appearance of the Hospital entrance, providing seating for different users. London Square is allocated as public open space and remains an important vehicle for addressing an underprovision of public open space in the local area.
- 1.3 The project will also play an important role in building an accessible pedestrian route from north of Whitehcapel Road to Commercial Road in the

south. This responds to the Mayor of London's City Fringe Opportunity Area Planning Framework (2015) identifies that there needs to be improvement to the north-south movement.

- 1.4 The site comprises roughly 2,700 square metres of hard surfacing. The site primarily functions as a pedestrian access route to the hospital. In response to critical events, the site must ensure fire tender and emergency services access. The site currently provides limited seating, very little planting and suffers from high levels of anti-social behaviour.
- An initial concept design for the square was developed by Kinnear Landscape Architects in June 2018. The design was influenced by a series of community engagement events which stressed a desire for the square to be a restorative space. The design was further developed by Staton Cohen Landscape Architects and a planning application was submitted in November 2021. The design, which has been shared and agreed with Barts, proposes:
  - a new welcoming setting and amenity for both buildings for use by patients, visitors and the workforce;
  - an accessible urban space, with provision of seating for different users a high-quality hardscape that is robust for pedestrians and infrequent vehicle access improved lighting to enable pedestrians to feel safe within the space and to discourage anti-social behaviour;
  - trees and plants offering a welcome reprieve from the urban density and intensity of the adjacent areas opportunities to provide biodiversity benefits, across the year, by incorporating planting.

#### 2 **ALTERNATIVE OPTIONS**

- 2.1 The London Square works are not carried out. This would mean the hard standing area between the new town hall and the Royal London Hospital would remain in its current condition. This would fail to provide any quality amenity space in the area and negatively impact the creation of a pedestrian route between Whitechapel Road and Commercial Road.
- 2.2 The scope of the town hall project is reduced. This would be considered a lost opportunity to enhance the character of the area around the council's administrative and civic headquarters. The London Square project has long been considered an important part of the town hall project and is expected to deliver necessary public realm improvements to the area. To date, around £60,000 has been spent to take the project to RIBA stage 3.

#### 3 <u>DETAILS OF THE REPORT</u>

#### Approval of the allocation of CIL funding

- 3.1 In 2018, the town hall team presented a PID to Cabinet which sought the allocation of £1,486,800 of CIL funding to deliver the London Square project. The allocation of funding was approved, and a corresponding capital estimate was adopted. For the financial year 2018/19, total CIL receipts in the reported year were £7,412,333.97.
- 3.2 In the PID, legal officers commented that as the funding will deliver public realm improvements that will benefit an external organisation (Barts), LBTH are under no legal obligation or duty to provide this payment; it is discretionary and considered to be a grant. As a result, approval from the Grants Determination Sub-Committee is required prior to proceeding with the works.
- 3.3 CIL is a charge on most types of new developments over a certain size. This can help to pay for local infrastructure projects that are needed to support new developments, such as schools, health services, leisure, open spaces and transport improvements. London Borough of Tower Hamlets' CIL charging schedule was first adopted on 1 April 2015. Since then, the Tower Hamlets CIL Charging Schedule has been revised to ensure that the council can secure sufficient funding for infrastructure to support growth in the borough. Following a public examination hearing on 1 August 2019 the charging schedule was approved at full council on 15 January 2020. The Schedule took effect from 17 January 2020.
- 3.4 In order to mitigate the impacts of the town hall development, significant financial contributions were have been paid in accordance with the planning approval. A total of £745k was paid to fund training for residents and additional cycle hire docking points. An additional £550k was paid in London Mayoral CIL.

#### London Square, Whitechapel

- 3.5 London Square refers to the land located between the Royal London Hospital and the forthcoming town hall. Following completion of the new town hall, the square is intended to improve the appearance of the area and provide much needed open space.
- 3.6 In the early 19th Century, large areas to the rear of the old hospital building were used as burial grounds. Over the course of the 19th Century, space became increasingly sparce and the hospital committee took the decision to create a larger burial ground further south. This allowed the area to be used as a drying yard for the hospital and it became known as 'Bedstead Square'. By the end of the 19th Century, the area served a recreational purpose and

included restorative gardens.

3.7 The hospital's most famous inpatient Joseph Merrick (known cruelly as the Elephant man), found respite at the Royal London Hospital, and was thought to have resided in rooms overlooking the Square.





Historic photographs, taken of Bedstead Square

3.8 Today, the land is jointly owned by LBTH and Barts. It serves as the main pedestrian access route to the hospital and is subject to heavy footfall throughout the day.



Current view south-east across London Square



Current view West across London Square

3.9 In partnership with the hospital, LBTH appointed a landscape architect to develop the design to the point of a planning application. Prior to submitting the planning application in November, the project team carried out extensive consultation with internal and external stakeholders. The design seeks to strike an important balance between delivering functionality for the hospital and dramatically enhancing the quality of the public realm in the area.



Vision for London Square (view West across the Square)

- 3.10 Officers continue to report the progress of the London Square project to the town hall project board. This will continue throughout the life of the project. The board is chaired by Mayor Biggs.
- 3.11 Since its inception, the project has been managed by LBTH. LBTH officers will remain the sole holder of the budget and will lead the project through to completion. No monies will be directly paid to Barts to deliver any aspect of the project.
- 3.12 The future management of the square continues to be discussed by LBTH Asset Management and Barts. Both parties are seeking to develop the existing memorandum of understanding into a legally binding agreement that ensures good future management and maintenance of the square. The CIL monies to deliver the project will not extend to day-to-day maintenance of the square.
- 3.13 LBTH asset management will work with legal services to ensure that the Council's investment is protected in whatever formal agreement is reached between the two parties.

#### Delivery Timeline

3.14 The delivery timeline of London Square will be determined by both the date of practical completion of the town hall and the cooperation of Barts. It is noted that the construction of the square will place further operational pressures on the hospital and will have to be carefully planned and managed.

Activity	Dates (Indicative)
Design Development (Stage 3)	Jan - Sept 2021
Planning Submission	Nov-21
Procure Landscape Architect (Stages 4-6)	Jan-Feb 2022
Procure QS Services (Stages 4-6)	Jan-Feb 2022
Finalise Employer's Requirements	Feb-Apr 2022
Technical Design (Stage 4)	Feb-Apr 2022
Procure Principal Contractor	May-June 2022
Works	Jul - Nov 2022

#### 4 **EQUALITIES IMPLICATIONS**

4.1 An offer of grant to deliver the London Square project will have no adverse impact upon any of the protected characteristics as identified within the Equality Act 2010.

#### 5 OTHER STATUTORY IMPLICATIONS

- No further statutory implications are required to be highlighted for the purposes of this decision. Examples of other implications may be:
  - Best Value Implications,
  - Consultations,
  - Environmental (including air quality),
  - Risk Management,
  - Crime Reduction,
  - Safeguarding.
  - Data Protection / Privacy Impact Assessment.

#### 6 COMMENTS OF THE CHIEF FINANCE OFFICER

- 6.1 This report seeks approval for the use of £1,486,800 of CIL funding which was approved by cabinet in 2018 to deliver the London Square project on behalf of Barts NHS Trust and LBTH, under appropriate terms as agreed with the organisation in consultation with legal services.
- 6.2 This project delivers public realm improvement that will benefit an external organization, Barts NHS Trust (Barts), and the funding is considered to be discretionary and a grant.
- 6.3 This project is included as part of the existing council approved capital

programme. The funding of the project will be via Community Infrastructure Levy (CIL) monies and all project costs must be contained within the balance of fund left to be spent

#### 7 COMMENTS OF LEGAL SERVICES

- 7.1 The Council has the legal power to make the grant described in this report.
- 7.2 Pursuant to Regulation 59 of the Community Infrastructure Levy Regulations 2010 the Council must apply CIL to funding the provision, improvement, replacement, operation or maintenance of infrastructure to support the development of its area. Under section 216 of the Planning Act 2008 infrastructure includes open spaces. The Council published a list of infrastructure projects wholly or partly funded by CIL, in compliance with Regulation 123 of the Community Infrastructure Levy Regulations 2010. The list included open spaces, parks and tree planting.
- 7.3 Therefore, the use of the CIL funding to support the London Square project complies with the requirements set out in the CIL Regulations 2010. The Council will constantly monitor the grant to ensure that such provisions are always met, and funding distributed fairly.
- 7.4 The grant monitoring will be supported by appropriate agreement terms. The agreement will ensure that the funding is used in compliance with the works specification and the conditions highlighted in this report. This will assist the Council achieving Best Value in line with the law.
- 7.5 The Council is required when exercising its functions to comply with the duty set out in section 149 of the Equality Act 2010, namely to have due regard to the need to eliminate unlawful discrimination, advance equality of opportunity between those who share a protected characteristic and those who do not, and foster good relations between those who share a protected characteristic and those who do not. The proposed public space will be accessible to all residents and free of charge at the point of entry. An Equalities checklist has been carried out and attached to the Project Initiation Document presented to Cabinet in February 2018. The grant monitoring process will assess any further equalities issues that may arise and ensure that these are dealt with appropriately.

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

#### **Linked Report**

• Cabinet Report (Project PID) 2018

#### **Appendices:**

- London Square Ownership Plan
- Hardworks Layout

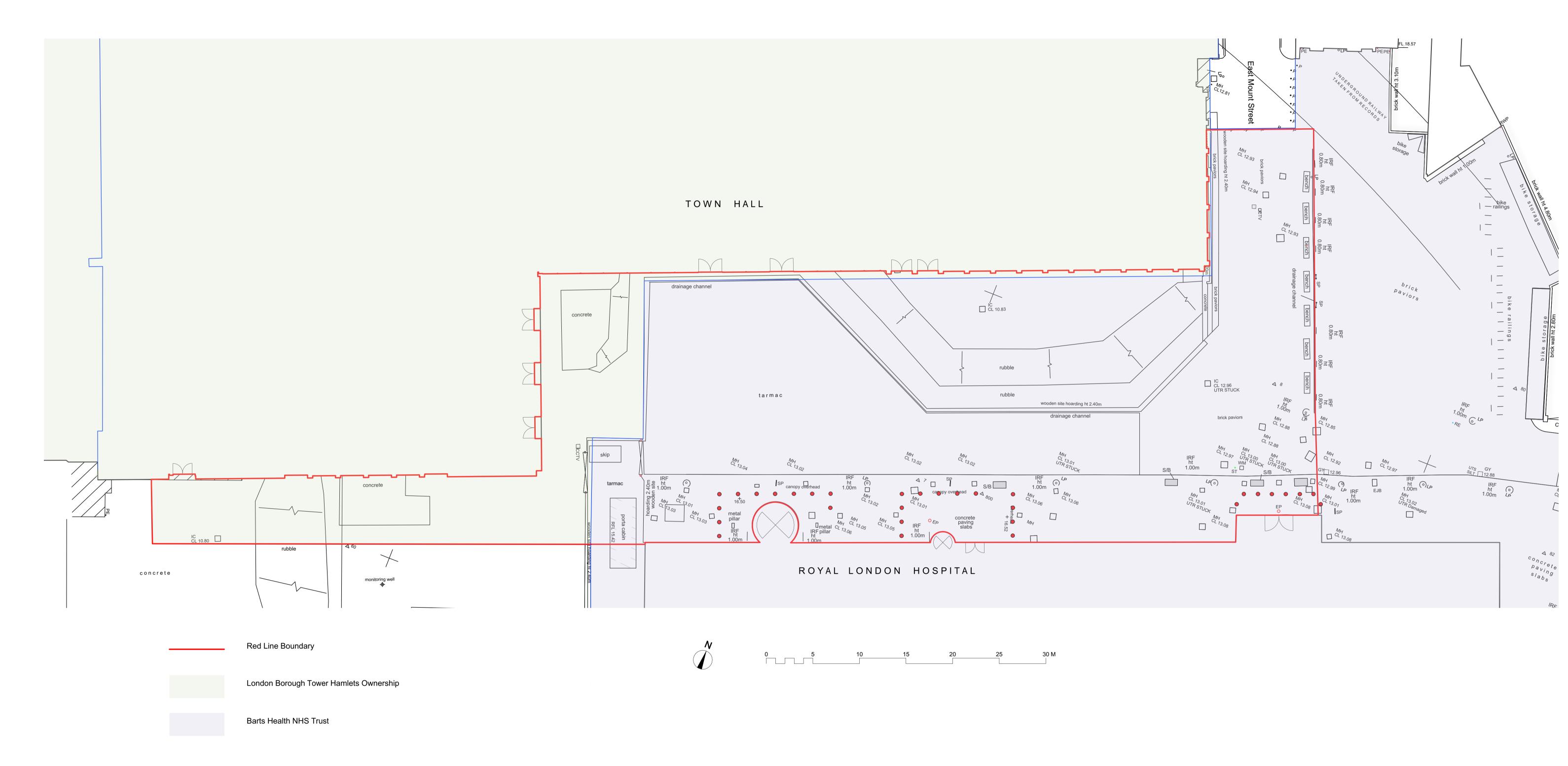
## Background Documents – Local Authorities (Executive Arrangements) (Access to Information) (England) Regulations 2012

None

#### Officer contact details for documents:

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# Appendix 1





### Appendix 2

