

<p><b>Cabinet Decision</b></p> <p>6<sup>th</sup> December 2016</p>	 <p><b>TOWER HAMLETS</b></p>
<p><b>Report of:</b> Development and Renewal</p>	<p><b>Classification:</b> Unrestricted</p>
<p><b>Approval of the allocation of S106 funding to projects:</b></p> <p>a) Hackney Wick Station Improvements  b) Brick Lane Regeneration  c) TfL Commercial Road A13 and Watney Market Urban Realm and Safety Improvements</p>	

<p><b>Lead Member(s)</b></p>	<p><u>Covering Cabinet Report</u> Councillor Rachel Blake, Cabinet Member for Strategic Development</p> <p><u>Project Initiation Documents:</u> Councillor Rachel Blake, Cabinet Member for Strategic Development Councillor Joshua Peck, Cabinet Member for Work and Economic Growth</p>
<p><b>Originating Officer(s)</b></p>	<p><u>Covering Cabinet Report</u> Owen Whalley</p> <p><u>Hackney Wick Station Improvements Project Initiation Document:</u> Owen Whalley</p> <p><u>Brick Lane Regeneration Project Initiation Document:</u> Andy Scott</p> <p><u>TfL Commercial Road A13 and Watney Market Urban Realm and Safety Improvements Project Initiation Document:</u> Owen Whalley</p>
<p><b>Wards affected</b></p>	<p>Multiple Wards</p>
<p><b>Key Decision?</b></p>	<p>Yes</p>
<p><b>Community Plan Theme</b></p>	<p>A Great Place to Live; A Fair and Prosperous Community; A Safe and Cohesive Community</p>

## 1. EXECUTIVE SUMMARY

1.1 This document has been prepared in order to seek approval from the Mayor in Cabinet to:

1. Approve the allocation for £2,380,080 of Section 106 (S106) funding to projects set out in three Project Initiation Documents (PIDs) that are attached

to this Cabinet Report;

2. Adopt Capital Budgets for the three projects described in this document and the attached PIDs and incorporate them into the Council's capital programme;
3. Approve entering into a funding agreement with the London Legacy Development Corporation (LLDC) for the Hackney Wick Station improvements project.

1.2 The projects to which this document relates can be summarised as follows:

- a) **Hackney Wick Station Improvements**: This project involves the Council providing £1million in funding to the London Legacy Development Corporation (LLDC) to contribute towards the provision of a £27.5m project. The station improvements are fundamental to the proposed Hackney Wick Central Masterplan, and seek to create inclusive access by removing the poor quality access ramps, and providing stairs and lifts to both sides of the station, which will be linked via a new subway. The subway will also have a public side to deliver more direct and safer connectivity through the previously inaccessible rail embankment, linking the development areas of the proposed Hackney Wick neighbourhood centre. The Council would be required to enter into a funding agreement with the LLDC.
- b) **Regenerating Brick Lane**: This project involves the expenditure of £985,279 of S106 funding on revenue and capital items to deliver a holistic regeneration programme for the Brick Lane area including linking Brick Lane with other major visitor attractions in the vicinity, and developing cultural trails and activities to increase footfall. Two phases are proposed – phase one involves feasibility/consultation, and the creation of a local partnership bringing together businesses, residents and local groups to agree an Improvement Plan; while phase 2 involves the delivery of the projects in light of the outcomes of phase 1.
- c) **TfL Commercial Road A13 and Watney Market Urban Realm and Safety Improvements**: The project involves the provision of £394,800 of S106 funding collected by the Council on TfL's behalf onto TfL. As part of Transport for London's Road Modernisation Plan, TfL is looking to improve safety, journey time reliability and the public realm on Commercial Road between New Road and Jubilee Street. There has been a higher rate of reported collisions along this stretch of road compared to similar roads in London, particularly involving pedestrians, cyclists and motorcyclists. TfL is therefore delivering a scheme designed to reduce the number of collisions involving these vulnerable road users.

1.3 Table 1 below sets out the amount requested for each of the projects highlighted in 1.3, including the source of requested funding related to CIL and S106. Table 2 sets out the projects and amounts that require capital budgets to be adopted.

**Table 1: Source of Funding and Overall Amounts Requested for Allocation**

<b>Project Title</b>	<b>Amounts</b>		
	<b>Overall Request</b>	<b>S.106</b>	<b>CIL</b>
Hackney Wick Station Improvements	£1,000,000	£1,000,000	-
Regenerating Brick Lane	£985,280	£985,280	-
TfL Commercial Road A13 and Watney Market Urban Realm and Safety Improvements	£394,800	£394,800	-
<b>Totals</b>	<b>£2,380,080</b>	<b>£2,380,080</b>	<b>£0</b>

**Table 2: Adoption of Capital Budget > Requested Amounts**

<b>Project Title</b>	<b>Amounts</b>	
	<b>Overall Request</b>	<b>Adoption of Capital Budget &gt; Request Amount</b>
Hackney Wick Station Improvements	£1,000,000	£1,000,000
Regenerating Brick Lane	£985,280	£589,000
TfL Commercial Road A13 and Watney Market Urban Realm and Safety Improvements	£394,800	£394,800
<b>Totals</b>	<b>£2,380,080</b>	<b>£1,983,800</b>

## RECOMMENDATIONS

1.4

The Mayor in Ca

is recommended to:

1.

Appr

ove the allocation of £2,380,080 of S106 funding to the projects set out in Table 1 and profiled in the Project Initiation Documents attached at Appendices A to C and as set out below:

a)

Hack

ney Wick Station Improvements: **£1,000,000**

b)

Rege

nerating Brick Lane: **£985,280**

c)

TfL

Commercial Road A13 and Watney Market Urban Realm and Safety Improvements: **£394,800**

2.

Appr

ove the adoption of capital budgets in respect of the projects set out in the three PIDs and incorporate them into the Council's capital programme. The capital budgets equate to:

a)

Hack

ney Wick Station Improvements: **£1,000,000**

b)

Rege

nerating Brick Lane: **£589,000**

c)

TfL

Commercial Road A13 and Watney Market Urban Realm and Safety Improvements: **£394,800**

3. Approve entering into a funding agreement within the London Legacy Development Corporation (LLDC) for the Hackney Wick Station improvements project.

1.5

If it

is not considered appropriate to approve the allocation of S106 funding to all of the projects described in the attached PIDs, then approvals can be made in respect of any of the individual projects. In addition, capital budgets can also be adopted in respect of any of the individual relevant projects/ PIDs.

## 2. REASONS FOR THE DECISIONS

2.1 Approval is sought to deliver these projects for the following reasons:

1. They help contribute to the delivery of positive improvements to people's lives that will underpin the Community Plan themes of:

- A Great Place to Live;
- A Fair and Prosperous Community;
- A Safe and Cohesive Community.

2. They will improve the public realm, accessibility, and wellbeing of residents and workers; improve economic activity, and employment and enterprise opportunities, as well as overall levels of public participation.

2.2 Please refer to the attached Project Initiation Documents (PIDs) for more information about the projects.

### **3. ALTERNATIVE OPTIONS**

3.1 The projects within the attached PIDs can be individually or collectively approved. The only alternative option is to not allocate the funding to some or any of these projects. It should be noted that, with regard to the 'TfL Commercial Road A13 and Watney Market Urban Realm and Safety Improvements' project, the funding intended to be used was collected by the Council on behalf of TfL so this funding will need to be provided onto TfL in any event.

3.2 It should be noted that the use of S106 funding proposed for allocation in this report is restricted, as it must be spent in accordance with the terms and conditions of its expenditure pertaining to a specific S106 agreement related to the development from which it originates. This may restrict the spend of S106 funding for certain infrastructure types or projects and also by the geographic location of the project.

3.3 Any alternative spend of this funding would have to be on the projects that would meet the requirements of the relevant S106 agreement.

### **4. BACKGROUND**

#### S106

4.1 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 over a related issue. Planning obligations / S106 agreements are legal agreements, negotiated between a LPA and a developer, with the intention of making acceptable development which would otherwise be unacceptable in planning terms.

4.2 S106 planning obligations must be spent in accordance with the agreement to which they relate. The contributions secured in S106 agreements are usually tied to the need to provide a certain type of project in a defined location.

#### PIDS

- 4.3 The background to the projects is provided below. For further information on the projects described in this report it is necessary to consult the PIDs attached at Appendices A to C.

#### **Hackney Wick Station Improvements (PID attached at Appendix A)**

- 4.4 The proposed station improvements are fundamental to the proposed Hackney Wick Central Masterplan, which has been structured around the station redevelopment. The delivery of the station improvements will not be possible once surrounding development has been completed, due to the staging sites required for construction on either side of the railway. Network Rail will deliver the project on behalf of LLDC as it is their railway asset, and the timetable for delivery is anchored on the proposed rail possessions over Easter 2017.
- 4.5 Planning consent was granted on 23rd September 2014, and the consented scheme envisages a new ticket office and gate-line relocated from the platform to ground floor level in the south (LB Tower Hamlets), to give an appropriately sized, high quality new public realm approach and station entrance facilities, as required by the station operators. Within the new underpass, the concrete finish is left exposed and a glazed wall separating the paid/ticketed side and the public route will be designed and lit to ensure a safe environment for users.
- 4.6 The new station approach to the south will be completed as part of the project and a new approach to the north will be completed when the neighbouring consented Groveworld redevelopment progresses. Once the neighbourhood centre is completed, the route will create a link through from White Post Lane to Wallis Road and create a more direct access to Queen Elizabeth Olympic Park and Here East.
- 4.7 The station improvements will create inclusive access by removing the poor quality access ramps and providing stairs and lifts to both sides of the station which will be linked via a new subway. The subway will also have a public side to deliver more direct and safer connectivity through the previously inaccessible rail embankment, linking the development areas of the proposed Hackney Wick neighbourhood centre.
- 4.8 The project will support the delivery of significant numbers of new homes; approximately 1,600 in the neighbourhood centre alone, and approximately 10,000 new homes across the wider Hackney Wick and Fish Island area. Alongside this, employment space will be delivered.
- 4.9 The £1million that has been ring-fenced for this project is legacy money from the London Thames Gateway Development Corporation (LTGDC). As such, the money must be spent on the provision of infrastructure within the former LTGDC boundary. This limits the opportunities for the money to be spent.

- 4.10 The investment of £1million would go towards the delivery of £27.5 million worth of station improvements at Hackney Wick Station. As such, the project is considered value for money. Furthermore, the station improvements have been identified as having relatively high importance in other strategically important documents including the following:
- LBTH Infrastructure Delivery Board Evidence Base, a document which has been prepared to support the LBTH Infrastructure Delivery Framework decision making process and in particular the allocation of CIL and S106 funding;
  - Lower Lea Valley Opportunity Area Planning Framework;
  - Lower Lea Valley Delivery Investment Strategy.
- 4.11 LBTH Transport & Highways are currently in discussion with LLDC about the ongoing maintenance of the public realm component of the project, particularly once LLDC ceases to exist. It is envisaged that LBTH will adopt the public realm within the Tower Hamlets boundary and that LBH will adopt the public realm within the Hackney boundary.
- 4.12 The LLDC has secured funding from various sources towards the project cost, and the Council would need to enter into a funding agreement with the LLDC for the Hackney Wick Station improvements.

#### **Regenerating Brick Lane (PID attached at Appendix B)**

- 4.13 This project involves the expenditure of £985,280 of S106 funding on a programme of projects with £589,000 being spent on capital projects. Please note that other projects relating to this programme will likely be brought forward using different funding streams with separate approvals being sought at a later date.
- 4.14 The regeneration of Brick Lane is a manifesto commitment of the Mayor. The Mayor has also made a commitment to develop visions for town centres and high streets in the borough, which includes carrying out a dedicated review of Brick Lane. This project aims to meet that manifesto commitment and the PID identifies the funding requirements to deliver agreed objectives.
- 4.15 Upgrading Brick Lane is essential to regaining its status as an international visitor destination, to increase footfall in the area, and improve economic activity. The proposals will include linking up Brick Lane with other major visitor attractions such as Spitalfields Market and Petticoat Lane. It will also look to develop cultural trails and activities that bring footfall into Brick Lane from cultural facilities such as Rich Mix and Whitechapel Gallery.
- 4.16 The key aim will be to improve Brick Lane – particularly the part south of the Truman Brewery so it returns to:

- A vibrant and diverse local economic centre;
- An important focus for local communities, particularly the Bengali community;
- A major visitor and tourist destination;
- The home of a lively night time economy.

4.17 It is proposed that the regeneration activity should be undertaken in 2 phases. In Phase 1 a small team will be employed to lead the regeneration activity in the area. A number of early win projects have already been scoped that will be delivered in this first phase. Consultation will be undertaken and a local partnership developed bringing businesses and residents and local groups together to agree an Improvement Plan. Feasibility work will be undertaken to identify future capital and revenue expenditure required in the area. This will include looking at the streetscape, public realm, markets, community safety, shop fronts and vacant units. New approaches will be piloted to develop new enterprise and new entrepreneurs in the area including pop up shops, food courts and trial trading. A programme of cultural events will be planned and delivered, commencing with a food festival, Christmas lighting and Christmas events in 2016.

4.18 Phase 2 will be the major delivery phase of the project. A range of capital and revenue improvements will be delivered including upgraded street furniture and festoon lighting. This will also be when the local partnership is supported to take ownership of the Improvement Plan and start to take a leadership role in its delivery. This should ensure that there is continued action in the area when the S106 funding ends. A PID for Phase 2 will be submitted in due course.

4.19 A Town Centre Manager and a Project Manager will be appointed to ensure day to day delivery of the Improvement Plan, undertake consultation with key stakeholders and develop and maintain a local network of interested parties.

#### **TFL Commercial Road A13 and Watney Market Urban Realm and Safety Improvements**

4.20 As part of Transport for London's Road Modernisation Plan, TfL is looking to improve safety, journey time reliability and the public realm on Commercial Road between New Road and Jubilee Street. This is a £1.26million project with £394,800 of funding being provided through S106 and £867,500 of funding being provided by TfL.

4.21 This scheme will deliver a new highway layout designed to deliver road safety improvements for all users but with particular emphasis on pedestrian, cyclist and motorcyclist safety as these are the vulnerable road user groups who have experienced the highest number and severity of collisions. There have been

three fatal collisions on this section of Commercial Road (between New Road and Jubilee Street) in the last 3 years. The project will also make improvements to the public realm, providing new trees, pedestrian lighting; improvements to footways, new paving and de-cluttering.

4.22 Commercial Road is also reported to suffer from vehicle congestion, particularly at peak times, and this project will improve the conditions for both bus passengers and vulnerable road users with the specific aim of:

- Improving journey times for bus routes 15, 115 and 135 during the AM and PM peak;
- Reducing general traffic speeds to improve conditions for all vulnerable road users;
- Widening bus lanes to allow cyclists and motorcyclists to pass buses more safely;
- Providing a better pedestrian experience with upgraded footway and priority given to pedestrians at side roads;
- Improving the public realm by reducing clutter and introducing paving and more pleasant environment, particularly around Watney Market.

4.23 These works will directly benefit residents, workers and visitors to the area, and the Goodmans Fields development, which will create an additional 579 new residential units and a 250 bedroom hotel.

4.24 The Council has included borough wide 'Road Safety Improvements' at accident hotspots in its IDF Evidence Base document; and the proposed improvements are further supported by:

- TfL's 'Safe Streets for London';
- The Road Safety Action Plan for London 2020' (2013), which set a new target for London to achieve a 40 % reduction in Killed or Seriously Injured casualties by, 2020 and focuses on improving the safety of vulnerable road users;
- TfL's commitment to their £4Bn 'Road Modernisation Plan', which aims to radically improve the efficiency, safety and reliability of the network; and provide safer, greener and more attractive streets and town centres, while enhancing conditions for cyclists and pedestrians, and tackling the capital's congestion issues.

4.25 TfL have already consulted all local businesses and residents and key stakeholder groups, such as Alliance of British Drivers and confederation of passenger Transport in addition to statutory bodies such as LBTH and the London Fire Brigade. All comments have been considered in the final design of the scheme.

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

- 5.1 In accordance with the council's Infrastructure Delivery Framework, this report seeks the approval of the Mayor in Cabinet to allocate Section 106 resources totalling £2,380,080 to three projects:

Hackney Wick Station Improvements                      Capital:        £1,000,000

Regenerating Brick Lane    Capital: £ 589,000  
Revenue:£ 396,280  
Total:                £ 985,280

Commercial Road A13 and Watney  
Market Urban Realm and Safety  
Improvements    Capital £ 394,800

- 5.2 The Section 106 funding for the projects has already been received by the council and is derived as follows:

### **5.2.1 Hackney Wick Station Improvements**

The London Thames Gateway Development Corporation (LTGDC) entered into planning obligations and undertakings for the development of the site at Leamouth Peninsula North (City Island) (PA/10/0864). The council has now inherited the responsibility for these Section 106 agreements following the winding up of the LTGDC in October 2012, and the developer is obliged to pay the council £10,558,556 in stage payments as the development scheme progresses - the contribution being 'applied towards the provision of Infrastructure in accordance with the Corporate Infrastructure Delivery Plan'.

To date the council has received £1,008,735 of the stage payments. This report proposes to use £1,000,000 of this sum as a contribution towards the improvement of Hackney Wick Station.

### **5.2.2 Brick Lane Regeneration**

The council has entered into planning obligations and undertakings for the development of three sites as follows:

Central Area Spitalfields Market (PA/11/0602). The Section 106 agreement obliged the developer to pay the council £120,000, with the contribution being 'applied towards the provision of Infrastructure in accordance with the Corporate Infrastructure Delivery Plan'. £161,284.75 has been received by the council (representing the index linked value of the initial sum due) and it is proposed to utilise £41,284.75 of this contribution.

Former Sedgewick Centre (Aldgate Tower) (PA/01/01424). The Section 106 agreement required the developer to pay the council £400,000, with

the contribution being used for various purposes including 'the promotion of the Brick Lane economic regeneration scheme'. The council has received an index linked sum of £566,458, with the application of £406,457.90 proposed.

Land between Brushfield Street, Elder Gardens and Bishopsgate (Bishops Square) (PA/02/0299). The Section 106 agreement obliged the developer to pay the council £8.5 million, with the contribution being earmarked for 'local community improvements'. As set out in the Project Initiation Document (Appendix B), funding of £537,657 remains uncommitted and it is proposed to allocate this to the Brick Lane Regeneration project.

### **5.2.3 Transport for London – Commercial Road A13 and Watney Market Urban realm and safety Improvements**

The council has entered into planning obligations and undertakings for the development of three sites as follows:

Former Goodman's Fields (PA/11/03587). The Section 106 agreement required the developer to pay the council £339,300, with the contribution being a 'TfL Highway Improvements Contribution'.

Goodman's Fields (PA/14/02817). The Section 106 agreement required the developer to pay the council £31,500, with the contribution being a 'TfL Highway Improvements Contribution'.

Land at Commercial Road Basin Approach (PA/12/00925). The Section 106 agreement obliged the developer to pay the council £24,000, with the contribution being used for 'Bus Stop Improvements along Commercial Road'.

- 5.3 A significant element of the Section 106 resources that are held by the council relates to capital projects. The proposed allocation of these funds is undertaken by the Infrastructure Delivery Board and should take place in accordance with the priorities within the council's capital strategy, although certain resources are specific to particular initiatives. In order to undertake Section 106 funded capital schemes, projects must be incorporated into the capital programme and appropriate capital budgets adopted. The approval of capital estimates totalling £1,983,800 is sought in this report.
- 5.4 Section 106 approvals can potentially be determined to be grants which require Commissioner approval under the terms of the Ministerial Direction of 17<sup>th</sup> December 2014. However in the case of the projects in this report, the Hackney Wick Station Improvements and the Commercial Road and Watney Market scheme are allocations to statutory bodies (the London Legacy Development Corporation and Transport for London respectively) which do not require Commissioner verification. The Brick Lane project is being managed by the council itself and so does not require Commissioner approval unless payments are proposed to be made to external voluntary organisations.

- 5.5 The council will not be liable for any on-going unbudgeted revenue commitments as a result of the recommendations contained in this report.

## **6. LEGAL COMMENTS**

- 6.1 Section 106 Planning Obligations are obligations secured pursuant to section 106 of the Town and Country Planning Act 1990. Such Planning obligations, commonly known as s.106 agreements, are the mechanism whereby development proposals can be made acceptable in planning terms, which would not otherwise be acceptable. They are focused on site-specific mitigation of the impact of development. They can impose financial and non-financial obligations on a person or persons with an interest in the land and become binding on that parcel of land.
- 6.2 The s.106 agreements will specify how the financial obligation is to be utilised.
- 6.3 In this case, all three (3) projects will require the allocation of section 106 funding to either fully fund or to contribute towards the financial costs of the projects. In each case, the allocation of funding is in accordance with s.106 agreements and therefore lawful.
- 6.4 All three (3) projects also require the adoption of a capital budget and as all fall between £250,000 and £1 million then, in accordance with the Council's Financial Regulations, it is for the Mayor in Cabinet to approve. Once capital budgets have been approved they will need to be incorporated into the Council's capital programme.
- 6.5 When making decisions, 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 do not (the public sector equality duty). A proportionate level of equality analysis is required to discharge the duty and information relevant to this is contained in the One Tower Hamlets section of the report.

## **7. ONE TOWER HAMLETS CONSIDERATIONS**

- 7.1 This report proposes to allocate funding to help deliver infrastructure at a local level. In scoping these infrastructure projects the objectives of One Tower Hamlets and those of the Community Plan have been considered.
- 7.2 It is hoped that these infrastructure projects will contribute to the reduction of inequality and will foster cohesion in the borough.

## **8. BEST VALUE (BV) IMPLICATIONS**

- 8.1 If approved, the projects referred to in this document are required to be delivered in consideration of best value implications and the Council's Best Value Strategy and Action Plan.

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

9.1 This report seeks the approval of projects, including ones related to pocket parks which will enhance open spaces in the borough. These projects will contribute towards achieving a greener environment.

## **10. RISK MANAGEMENT IMPLICATIONS**

10.1 The risks relating to the delivery of these projects as well as mitigating measures are set out in detail in the attached PIDs.

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

11.1 It is hoped that these projects will improve places in the borough including underutilised spaces, making them less susceptible to crime or disorder and increasing natural surveillance.

## **12. SAFEGUARDING IMPLICATIONS**

12.1 Not applicable.

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

#### **Linked Report**

- None

#### **Appendices**

Appendix A: Hackney Wick Station Improvements PID

Appendix B: Regenerating Brick Lane PID

Appendix C: TfL Commercial Road A13 and Watney Market Urban Realm and Safety Improvements PID

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

- None

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