

CAPITAL UPDATE REPORT KEY DECISION NO. FCR M77	
CABINET MEETING DATE 2016/17 31 October 2016	CLASSIFICATION: Open If exempt, the reason will be listed in the main body of this report.
WARD(S) AFFECTED All Wards	
CABINET MEMBER Philip Glanville, Mayor of Hackney	
KEY DECISION Yes REASON Spending or Savings	
GROUP DIRECTOR Ian Williams Finance and Corporate Resources	

1. CABINET MEMBER'S INTRODUCTION

- 1.1 This is the fifth report on the capital programme for 2016/17.
- 1.2 The report recommends investment in schemes which will bring real benefits to local residents and other users of Council services.

2. GROUP DIRECTOR'S INTRODUCTION

- 2.1 This report updates Members on the current position of the Capital Programme and seeks spending and resource approval as required to enable officers to proceed with the delivery of those schemes as set out in section 9 of this report.

3. RECOMMENDATION(S)

- 3.1 **That the S106/278 schemes as set out in section 9.1 and summarised below be given resource and spending approval as follows:**

	2016/17
	£'000
S106 Capital	218
S106 Revenue	16
S278 Capital	944
Total S106 /S278 Resource and Spend approvals	1,178

4. REASONS FOR DECISION

- 4.1 The decisions required are necessary in order that the schemes within the Council's approved Capital programme can be delivered as set out in this report.
- 4.2 In most cases, resources have already been allocated to the schemes as part of the budget setting exercise but spending approval is required in order for the scheme to proceed. Where however resources have not previously been allocated, resource approval is requested in this report.

5. DETAILS OF ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

None.

6. BACKGROUND

6.1 Policy Context

The report to recommend the Council Budget and Council Tax for 2016/17 considered by Council on 2 March 2016 sets out the original Capital Plan for 2016/17. Subsequent update reports considered by Cabinet have amended the Capital Plan for additional approved schemes and other variations.

6.2 Equality Impact Assessment

Equality impact assessments are carried out on individual projects and included in the relevant reports to Cabinet or Procurement Committee, as required. Such details are not repeated in this report.

6.3 Sustainability

As above.

6.4 Consultations

Relevant consultations have been carried out in respect of the projects included within this report, as required. Once again, details of such consultations would be included in the relevant detailed reports to Cabinet or Procurement Committee.

6.5 Risk Assessment

The risks associated with the schemes detailed in this report are considered in detail at individual scheme level. Primarily these will relate to the risk of the projects not being delivered on time or to budget. Such risks are however constantly monitored via the regular capital budget monitoring exercise and reported to cabinet within the Overall Financial Position reports. Specific risks outside of these will be recorded on departmental or project based risk registers as appropriate.

7. COMMENTS OF THE GROUP DIRECTOR OF FINANCE AND CORPORATE RESOURCES

7.2 The gross approved Capital Spending Programme for 2016/17 currently totals **£395.144m (£180.901m non-housing and £214.243m housing)**. This is funded by discretionary resources (borrowing, government grant support (SCE(c)), capital receipts, capital reserves (mainly Major Repairs Reserve and revenue contributions) and earmarked funding from external sources.

7.3 The financial implications arising from the individual recommendations in this report are contained within the main report.

7.4 If the recommendations in this report are approved, the revised gross capital spending programme for 2016/17 will total **£398.025m (£183.782m non-housing and £214.243m housing)**.

Directorate	Budget Position	31 Oct 2016 Cabinet Update	Updated Budget Position
	£'000	£'000	£'000
Chief Executive's Services	7,983	-	15,967
Children, Adults and Community Health	103,513	200	207,226
Finance and Corporate Resources	34,870	709	70,448
Neighbourhoods	34,535	1,972	71,043
Total Non-Housing	180,901	2,881	183,782
Housing	214,243	-	214,243
Total	395,144	2,881	398,025

8. COMMENTS OF THE DIRECTOR OF LEGAL

8.1 The Director of Legal has been consulted on the contents of this report and wishes to comment on recommendation 3.1 and paragraph 9.1 where Cabinet is being invited to approve the allocation of monies from agreements under Section 278 of the Highways Act 1980 and S106 of the Town and Country Planning Act 1990.

8.2 S.106 Town and Country Planning Act 1990 permits anyone with an interest in land to enter into a planning obligation enforceable by the local planning authority. Planning obligations are private agreements intended to make acceptable developments which would otherwise be unacceptable in planning terms. They may prescribe the nature of the development (for example by requiring that a percentage of the development is for affordable housing), secure a contribution to compensate for the loss or damage created by the development or they may mitigate the development's impact. Local authorities must have regard to ODPM Circular 05/2005 on Planning Obligations and Section 122 of the Community Infrastructure Levy Regulations 2010. Section 122 enshrines in legislation for the first time the legal test that planning obligations must meet. Hackney Council approved the Planning Contributions Supplementary Planning Document on 1 November 2006 under which contributions are secured under S106 and S278 agreements.

8.3 Once completed S.106 agreements are legally binding contracts. This means that any monies which are the subject of the Agreement can only be expended in accordance with the terms of the Agreement. In this case, the Council's lawyers are satisfied that the terms of the S.106 Agreements referred to would allow the financial contributions to be applied as set out in this report.

9.1 S106/S278 Capital Approvals:

9.1.1 Resource and spending approval is requested for £1,178k in 2016/17 (£218k S106 Capital, £16k S106 Revenue and £944k S278 Capital) in respect of the projects detailed below, to be financed by S106/278 contributions. The works

to be carried out are in accordance with the terms of the appropriate S106/S278 agreement.

Planning App. No.	Project Description	Agreement Development Site	2016/17
			£'000
2007/2437	Improvement works to Regents Canal Towpath (0002-16)	Towpath at Kingsland Road Bridge	18
2008/2388	Sir Thomas Abney School Expansion (0010-16)	Homerton High Street 112-118	27
2008/0551		Cazenove Road 130	22
2008/1006		James Taylor Building Morningside Estate	65
2011/1094		Lordship Park 50	14
2009/2709		Bridport House	73
Total Capital S106 Approvals			218
2012/0123	Blackhall Street Lighting Improvements	Blackhall Street and Surrounding Streets	16
Total Revenue S106 Approvals			16
	Highways work at Haggerston West & Kingsland Estate	Haggerston West S278	944
Total S278 Approvals			944
Total S106 /S278 Resource and Spend approvals			1,178

9.2 To be noted:

- 9.2.1 A delegated powers report dated 18 August 2016 approved capital resource and spend approval for tile replacement works and improvements to the changing rooms and reception area at **London fields Lido**. As a result **£1,010k (£450k and £560k)** capital funding in 2016/17 was approved to spend for this project. Part of the resources required will be met by the revenue contingency, via additional RCCO, held by the authority (£450k) and the remainder will be funded by discretionary resources (£560k).
- 9.2.2 A delegated powers report dated 30 September 2016 approved capital resource and spend approval for the acquisition of the one remaining privately owned property in the centre of the Dalston Terrace, **58A Dalston Lane**, thus allowing the redevelopment of the terrace to continue with the aim of providing 44 new homes, 10 retail units along with the associated public realm and landscaping improvements. As a result an additional **£709k** capital funding in 2016/17 was approved to spend for this project. The required resources are to be met by discretionary resources held by the Authority.

APPENDICES

None.

BACKGROUND PAPERS

None.

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