



<b>Capital Update Report</b> <b>KEY DECISION NO. FCR Q7</b>	
<b>CABINET MEETING DATE</b>  16 March 2020	<b>CLASSIFICATION:</b>  Open  If exempt, the reason will be listed in the main body of this report.
<b>WARD(S) AFFECTED</b>  All Wards	
<b>CABINET MEMBER</b>  Philip Glanville, Mayor of Hackney	
<b>KEY DECISION</b>  Yes  <b>REASON</b>  Spending or Savings	
<b>GROUP DIRECTOR</b>  Ian Williams Finance and Corporate Resources	

## 1. CABINET MEMBER'S INTRODUCTION

- 1.1 This report on the capital programme for 2019/20 updates members on the capital programme agreed in the 2019/20 budget.
- 1.2 The report provides significant further investment in the borough's schools, childrens' centres and the wider borough infrastructure supporting our ambitions for a more sustainable public realm and helping to ensure that residents and visitors alike enjoy a safe environment in which to travel and learn.
- 1.3 The report helps to continue our delivery of key manifesto commitments around school investment, sustainable transport and road safety across the borough.

## 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 schemes for Children, Adults and Community Health as set out in section 9.2 be given approval as follows:**

**Schools Asset Management Programme (AMP) 2020/21:** Virement and spend approval of **£3,500k in 2020/21** to is requested to fund the continuation of the annual maintenance programme across a number of primary school assets.

**Children' Centres Asset Management Programme (AMP) 2020/21:** Virement and spend approval of **£400k in 2020/21** is requested to fund the rolling programme of asbestos surveys and the remedial works to a number of the Council's maintained schools and children's centres.

- 3.2 **That the schemes for Neighbourhood and Housing (Non-housing) as set out in section 9.3 be given approval as follows:**

**Developing Borough Infrastructure:** Spend approval of **£300k (£150k in 2019/20 and £150k in 2020/21)** is requested to fund the Council's development infrastructure works.

**Road Safety Programme:** Spend approval of **£300k in 2020/21** is requested to fund the continuing road safety works on the borough's roads.

**Local Implementation Plan (LiP) TfL Funded - Corridors, Central London Grid, Quietways cycle Route, Neighbourhoods of the Future, Liveable Neighbourhoods and Mayors Air Quality Fund:** Resource and spend approval of **£940k in 2019/20**, spend approval of **£145k in 2019/20** and spend approval of **£1,034k in 2020/21** is requested in order to facilitate the delivery of the TfL funded schemes to implement measures to reduce road traffic accidents and fund projects to encourage sustainable transport within the borough.

#### **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 2019/20 considered by Council on 25 February 2019 sets out the original Capital Plan for 2019/20. Subsequent update reports considered by Cabinet amend the Capital Plan for additional approved schemes and other variations as required.

##### **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

- 7.1 The gross approved Capital Spending Programme for 2019/20 currently totals **£245.619m (£119.254m non-housing and £126.365m housing)**. This is funded by discretionary resources (borrowing, government grant support, capital receipts, capital reserves (mainly Major Repairs Reserve and revenue contributions) and earmarked funding from external sources.
- 7.2 The financial implications arising from the individual recommendations in this report are contained within the main report.
- 7.3 If the recommendations in this report are approved, the revised gross capital spending programme for 2019/20 will total **£246.559m (£120.194m non-housing and £126.365m housing)**.

Directorate	Revised Budget Position	March 2020 Cabinet Update	Updated Budget Position
	£'000	£'000	£'000
Children, Adults & Community Health	9,816	0	9,816
Finance & Corporate Resources	90,184	0	90,184
Neighbourhoods & Housing	19,254	940	20,193
<b>Total Non-Housing</b>	<b>119,254</b>	<b>940</b>	<b>120,194</b>
Housing	126,365	0	126,365
<b>Total</b>	<b>245,619</b>	<b>940</b>	<b>246,559</b>

## 8. COMMENTS OF THE DIRECTOR OF LEGAL

- 8.1 The Group Director, Finance and Corporate Resources is the officer designated by the Council as having the statutory responsibility set out in section 151 of the Local Government Act 1972. The section 151 officer is responsible for the proper administration of the Council's financial affairs.
- 8.2 In order to fulfil these statutory duties and legislative requirements the Section 151 Officer will:
- (i) Set appropriate financial management standards for the Council which comply with the Council's policies and proper accounting practices, and monitor compliance with them.
  - (ii) Determine the accounting records to be kept by the Council.
  - (iii) Ensure there is an appropriate framework of budgetary management and control.
  - (iv) Monitor performance against the Council's budget and advise upon the corporate financial position.

- 8.3 Under the Council's Constitution, although full Council set the overall Budget it is the Cabinet that is responsible for putting the Council's policies into effect and responsible for most of the Councils' decisions. The Cabinet has to take decisions in line with the Council's overall policies and budget.
- 8.4 The recommendations include requests for spending approvals. The Council's Financial Procedure Rules (FPR) paragraphs 2.7 and 2.8 cover the capital programme with 2.8 dealing with monitoring and budgetary control arrangement.
- 8.5 Paragraph 2.8.1 provides that Cabinet shall exercise control over capital spending and resources and may authorise variations to the Council's Capital Programme provided such variations: (a) are within the available resources (b) are consistent with Council policy.

## 9. CAPITAL PROGRAMME 2019/20 AND FUTURE YEARS

- 9.1 This report seeks spending approval for schemes where resources have previously been allocated as part of the budget setting process, as well as additional resource and spending approvals for new schemes where required.

### 9.2 Children, Adults and Community Health

- 9.2.1 **Schools Asset Management Programme (AMP) 2020/21:** Virement and spend approval of **£3,500k in 2020/21** is requested to fund the continuation of the annual maintenance of primary school assets and children's centres estate. The asset maintenance programme is the borough's cyclical and periodic yearly maintenance programme. The works are prioritised on the basis of the existing condition survey data, supported by rolling site inspections which takes place over a 3 year period. This year's programme will include the schools and children centres listed in the table below. The broad overview of the works required are essential health and safety works, boiler replacement, lighting upgrade, toilet refurbishment and flooring replacement, lighting upgrade, playground resurfacing, art block construction works, reconfiguration of reception class, ventilation works, drainage, fire alarm upgrade, heating works and works to front entrance. This capital project links in with the Council's 2018-2028 Sustainable Community Strategy Priority 1 'A borough where everyone can enjoy a good quality of life and the whole community can benefit from growth' and Priority 2 'A borough where residents and local businesses fulfil their potential and everyone enjoys the benefits of increased local prosperity and contributes to community life'. This approval will have no net impact as the resources already form part of the capital programme.

No.	Name of School
1	Jubilee
2	Benthal
3	Shoreditch Park
4	Colvestone
5	Betty Layward
6	Holmleigh
7	Queensbridge
8	Berger

9	Lauriston
10	Randal Cremer

9.2.2 **Children' Centres Asset Management Programme (AMP) 2020/21:** Virement and spend approval of **£400k in 2020/21** is requested to fund the rolling programme of maintenance as set out in the Council's Capital Programme works to a number of the Council's maintained children's centres. The works which form the basis for this application became apparent after a survey of all education sites, including children's centres, completed in 2016. This data identified the statutory, health and safety works which needed to be carried out in children centres. The works covered by this request are boiler replacement and heating distribution infrastructure at Fernbank Children's Centre and toilet refurbishment and reconfiguration at Woodberry Down Children's Centre. This is the Council's commitment to investing in our buildings in order to improve the quality of life for our community and helps to ensure that we are meeting our statutory health and safety responsibilities. This capital project links in with the Council's 2018-2028 Sustainable Community Strategy Priority 1 'A borough where everyone can enjoy a good quality of life and the whole community can benefit from growth' and Priority 2 'A borough where residents and local businesses fulfil their potential and everyone enjoys the benefits of increased local prosperity and contributes to community life'. This approval will have no net impact as the resources already form part of the capital programme.

### 9.3 Neighbourhoods and Housing (Non-Housing)

9.3.1 **Developing Borough Infrastructure:** Spend approval of **£300k (£150k in 2019/20 and £150k in 2020/21)** is requested to fund the Council's development infrastructure works in the locations included in the table below. The broad overview of the works required are to improve safety conditions and public realm; implement a point of no entry, implement proposals to improve the environment around schools to encourage sustainable modes of travel to school; address specific concerns that have been identified by the school; address concerns over the number of collisions at specific junctions; and minimise the street furniture such as bollards in the area. This demonstrates the Council's commitment towards improving the quality of life for our residents. The aspiration is for Hackney's transport system to be exemplary for sustainable urban living in London and to transform Hackney's places and streets into the most attractive and liveable neighbourhoods in London. High motor traffic flows and congestion also contribute to an unsafe environment and poor air quality, with its negative health impacts on residents. Creating a better balance between pedestrians, cyclists and motor vehicles is therefore critical if we are to make our neighbourhoods more attractive and liveable for everyone. These projects will improve the environment to support walking and cycling around the borough. This capital project supports Priorities 3 in the Hackney's Sustainable Community Strategy 2018-2028 'A greener and environmentally sustainable community which is prepared for the future'. This approval will have no net impact on resources as they already form part of the capital programme.

No.	Location
1	Lordship Road

2	Olinda Road
3	Schools
4	Brooke Road/Evering Road
5	Wordsworth Road j/w Bennett Road

9.3.2 **Road Safety Programme:** Spend approval of **£300k in 2020/21** is requested to fund the continuing road safety works on the borough's roads. The Council prioritises a proportion of its annual TfL LiP settlement towards schemes and projects that aim to reduce accidents and casualties within the borough. The schemes prioritised using TfL LiP funding are generally focused on the principal road network ("A" and "B" roads) where the highest concentrations of accidents occur. There are however a large number of accidents that occur on the "local" road network within the borough and so the Council has historically earmarked some Capital funding towards casualty reduction measures on these roads. As part of the identification and prioritisation process the Council will generate a long list of the top 100 accident links and nodes (roads and junctions) and from this will identify prospective schemes to take forward using the Council's capital road safety funding. The broad overview of the works required are urban public realm improvements, review of junction timings and consideration of kerb realignments, preliminary design for proposals for a cycle route, removal of a pelican crossing and installation of a zebra crossing. This capital project supports Priorities 3 in the Hackney's Sustainable Community Strategy 2018-2028 'A greener and environmentally sustainable community which is prepared for the future'. This approval will have no net impact on resources as they already form part of the capital programme.

No.	Location
1	Mare Street from Well St to Victoria Park Rd
2	Goldsmith's Row/ Pritchard's Rd/ Whiston Rd
3	Victoria Park Road
4	Eastway to Chapman Rd
5	Stoke Newington Church Street

9.3.3 **Local Implementation Plan (LiP) TfL Funded - Corridors, Central London Grid, Quietways cycle Route, Neighbourhoods of the Future, Liveable Neighbourhoods and Mayors Air Quality Fund:** Resource and spend approval of **£940k in 2019/20**, spend approval of **£145k in 2019/20** and spend approval of **£1,034k in 2020/21** is requested in order to facilitate the delivery of the TfL funded schemes to implement measures to reduce road traffic accidents and fund projects to encourage sustainable transport within the borough. The council has statutory responsibilities to implement measures with the intention of reducing road traffic accidents. There are targets to reduce road user casualties. In response to the duties and accident reduction targets the Council priorities a proportion of its annual TfL LiP settlement towards schemes and projects that aim to reduce accidents and casualties within the borough. The scheme's priorities using TfL LiP funding are generally focused on the principal road network ("A" and "B" roads) where the highest concentrations of accidents occur. The LiP also includes programmes and projects to encourage sustainable transport such as cycle parking, cycle training, behaviour change programmes, traffic management measures to increase cycle permeability and care club expansion. In addition the Council are expecting to commence delivery of the Hackney Central Liveable Neighbourhood which will transform central Hackney, supporting better cycle access, reducing road user casualties and supporting better bus services. This capital project supports Priority 3 in the Hackney's Sustainable Community Strategy 2018-2028 'A greener and environmentally sustainable community which is prepared for the future', Priority 4 'An open, cohesive, safer and supportive community', and Priority 5 'A borough with healthy, active and independent residents'. This approval will have no net impact on the capital programme as this resource is funded by grant.

## APPENDICES

None.

## BACKGROUND PAPERS

**In accordance with The Local Authorities (Executive Arrangements) (Meetings and Access to Information) England Regulations 2012 publication of Background Papers used in the preparation of reports is required.**

None.

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