



Capital Update Report

KEY DECISION NO. FCR R.5

CABINET MEETING DATE

19 October 2020

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 report on the capital programme for 2020/21 updates members on the capital programme agreed in the 2020/21 budget.
- 1.2 Our mission to rebuild a better Hackney starts with giving all our children the best start in life. My administration will always prioritise not only protecting our vital frontline services from Government austerity, but actively investing in community facilities that are important to that mission. Therefore, this report seeks approval for continued investment in our early years provision with a £1.8 million investment in the new Woodberry Down Children's Centre. Council investment will bring together provision of affordable childcare and play facilities on a newly refurbished and extended building. Importantly, £1.27 million of this funding is acquired through Section 106 funding – showing, once again, a clear example of the benefit that the Woodberry Down Estate Regeneration project is bringing to the local community beyond the delivery of genuinely affordable homes for local people.
- 1.3 This report also notes a further £2.3 million planned investment in the Borough's parks at a time when they have never been more important to our residents, particularly those without an outdoor space at home. This investment will help develop design options for Clissold Park paddling pool and to ensure essential facilities are maintained to the high standard that our residents have come to expect from well-funded and high performing public services from Hackney Council. This investment comes ahead of our new Parks and Green Spaces Strategy which will come forward later this year, to further plan such investment in the future, and make sure our parks are accessible and inclusive of everyone. I also welcome the investment in refurbishing public toilets in London Fields and Haggerston Park.
- 1.4 Finally, we know that we can not go back to normal after the coronavirus lockdown, where our roads were dominated by private vehicles from outside the Borough, increasing local pollution to dangerous levels. We pledged to our residents that we would rebuild a greener Borough, building on our mandate to build a more sustainable Hackney in the 2018 local elections – one where our roads were prioritised for people and the 70% of Hackney's households that do not have a car. That is why this report also notes significant investment in our roads and infrastructure, including £2m on highways maintenance as well as over £2m of investment to create lower traffic neighbourhoods in the borough, with grant funding from Transport for London and the Department for Transport. In addition, £100k investment in further school streets is noted – a continuation of the Council's pioneering scheme to transform roads outside schools, so that only pedestrians and cyclists can use roads outside school gates at drop-off and pick-up times, while maintaining access for emergency services, hyper local residents and blue badge holders. By further implementation we are helping to tackle congestion and improve air quality at the school gates, making it safer and easier to walk and cycle to school.

1.5 I commend this report to Cabinet.

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 Childrens, Adults and Community Health as set out in section 9.2 be given approval as follows:**

Woodberry Down Children's Centre: Resource and spend approval of **£1,819k (£707k in 2021/22 and £1,112k in 2022/23)** is requested to continue the redevelopment to bring two centres together under one roof.

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 2020/21 currently totals **£215.392m (£107.512m non-housing and £107.880m 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 2020/21 will total **£217.844m (£109.964m non-housing and £107.880m housing)**.

Directorate	Revised Budget Position	Oct 2020 Cabinet Update	Updated Budget Position
	£'000	£'000	£'000
Children, Adults & Community Health	7,203	0	7,203
Finance & Corporate Resources	73,340	0	73,340
Neighbourhoods & Housing	26,969	2,452	29,421
Total Non-Housing	107,512	2,452	109,964
Housing	107,880	0	107,880
Total	215,392	2,452	217,844

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 2020/21 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 Childrens, Adults and Community Health:

- 9.2.1 **Woodberry Down Children's Centre:** Resource and spend approval of **£1,819k (£707k in 2021/22 and £1,112k in 2022/23)** is requested to continue the redevelopment to bring two centres together under one roof with the vacated site (the Lilliput building) then being redeveloped as part of the wider Woodberry Down Estate redevelopment. The project has been in the development stage for several years and has been through many design phases, it received planning approval in May 2019, since this date work has taken place to finalise the detailed design to enable cost certainty. The tender package will be completed shortly with an out to tender date of September 2020. This additional funding covers the budget shortfall required to ensure the scheme is viable and contingency for unforeseen items such as ground conditions which has meant a change from strip foundations to piled foundations, discovery of asbestos in a duct running under the existing building, complying with listed building consent and inflation due to the length of the design process. This follows the £1,271k of s106 funding approved in

December 2019 Cabinet. This development will support families with young children to have a good start in life and have access to high quality affordable childcare services with play and outdoor learning. This capital spend supports the Council's 2018-2028 Sustainable Community Strategy 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 on the capital programme as the resources will be funded by s106 funding and discretionary resources held by the Local Authority.

9.3 For Noting:

9.3.1 Delegated Powers Report dated 8 September 2020 gave approval for schemes within the Neighbourhoods and Housing (Non) where resources have previously been allocated as part of the Council's Budget Setting Process, as well as additional resource and spending approvals for new schemes where required as set out in the table below. A review of the capital programme has been undertaken as part of the Council's response to the financial impact of the Covid-19 pandemic and to generate options to support the Council's financial stability. This meant that capital approvals within Neighbourhoods and Housing were held pending this review. During the review several schemes were identified that required spend approval to take forward essential schemes, particularly those for essential maintenance. Hackney has been awarded an additional £2,052k to support DfT and TfL London Streetspace Plan and the Council's Transport Strategy to deliver a range of measures to reallocate road space to enable more walking and cycling and to support social distancing on public transport. The total spend approved is **£7,002k phased over 2 years**. This capital spend also supports 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 3 'A greener and environmentally sustainable community which is prepared for the future'. This approval will have no net impact on the capital programme as the resources already form part of the capital programme.

No	Scheme		£'000
1	Essential maintenance to libraries	to undertake various essential works across all seven libraries, mainly relating to shelving, signage, furniture, carpets, redecoration and ICT improvements.	200
2	Parks Infrastructure	Essential maintenance to pathways, fences, walls, park depots, sport pavilions, play area repairs, bins and benches replacements, tennis court repairs, stat testing and car park ticket machines.	800
3	Parks Public Conveniences and Cafes	Prioritised for 2020/21 Martello Street (London Fields) Public Conveniences and Haggerston Park Conveniences.	300
4	Play Area Refurbishment	Various parks play improvements.	450
5	Clissold Park Paddling Pool	Consultation and design options.	700

6	Highways Planned Maintenance	50% of annual maintenance programme	2,000
7	Schools Streets	Improving air quality, reducing motor traffic on residential streets by the use of road closures, one way systems to create safer walking and cycling conditions, road closed outside schools during certain times of the days for School Streets at 9 schools.	100
8	Enforcement database	Collection of real time data about compliance with the policy changes.	100
9	TfL Streetspace Funding Phase 1	Closing roads to motor traffic for example by using planters or large barriers, to create low traffic neighbourhoods at various locations within the Borough.	1,952
10	DfT COVID Transport Funding	Closing roads to motor traffic for example by using planters or large barriers, to create low traffic neighbourhoods within various locations within the Borough.	100
11	CCTV enforcement cameras - invest to save	Proposed to purchase 20 enforcement cameras to ensure a reasonable level of compliance.	300
Total			7,002

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.

Report Author	Samantha Lewis, 020 8356 2612 Samantha.lewis@hackney.gov.uk
Comments of the Group Director of Finance and Corporate Resources	Michael Honeysett, 020 8356 3332, Michael.honeysett@hackney.gov.uk
Comments of the Director of Legal	Dawn Carter-McDonald, 020 8356 4817 dawn.carter-mcdonald@hackney.gov.uk