

| | |
|---|--------------------------------|
| Capital Update Report KEY DECISION NO. FCR R75 | |
| CABINET MEETING DATE (2021/22) 28 June 2021 | CLASSIFICATION: OPEN |
| WARD(S) AFFECTED All | |
| CABINET MEMBERS Philip Glanville, Mayor of Hackney | |
| KEY DECISION Yes REASON Spending and Savings | |
| Ian Williams, Acting Chief Executive and Section 151 Officer | |

CABINET MEMBER'S INTRODUCTION

1.1 This report on the capital programme for 2021/22 updates members on the capital programme agreed in the 2021/22 budget.

1.2 The recommendations contained in this report demonstrate our continued commitment to meeting our manifesto pledges and the Council's revised Corporate Plan to Rebuild a Better Hackney – which includes our work to give our young people the best start in life and to maintain a safer community.

1.3 In this report, we recommend investment of £2,312k across this year and next in maintenance works at primary schools in the borough making sure our young people continue to benefit from a well-maintained education estate. Furthermore we recommend that £500k is allocated from the asset management budget and spend approval given to further repair works required as part of the expansion programme for The Garden School, at the former Ickburgh School site in Hackney Downs where we are providing much-needed Hackney-based post-16 special educational needs places in line with our commitment to expand local provision. Additionally, £250k investment is proposed to expand the new Ickburgh School from 150 to 164 places funded through the DfE SEND capital grant again increasing the capacity for children within local Hackney schools.

1.4 We want to continue to help residents, businesses and visitors feel safer in their community, as well as ensure a fairer recovery for Dalston. After three years of conversations with the residents of Dalston, the Council is using every tool it has to make sure local residents benefit from change and growth. With this report's recommended £197k investment in replacement and upgrading CCTV cameras in Gillett Square and Ridley Road we will also help make Dalston safer. This is part of a partnership plan to address crime and anti-social behaviour in this area, as well as a response to changes on Ridley Road.

1.5 We know the coronavirus pandemic has impacted work opportunities for our residents and local employers. It is our mission to expand the role and reach of the Council's in-house Hackney Works employment support and job brokerage service in response to this challenge. We recommend significant revenue s106 investment of £2,175k allocated over two years to fund the Hackney Works team within the Employment & Skills service to support pathways to employment building on existing success which has included supporting over a thousand residents into work including over one hundred apprenticeships over the last 2.5 years.

1.6 Finally, this report recommends a further £13k capital s106 investment in the scheme to highway works to support our sustainability and green infrastructure.

1.7 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 Children and Education as set out in section 9.3 be given approval as follows:

Schools AMP Works Programme 2021/22: Virement and spend approval of **£1,812k (£617k in 2021/22 and £1,195k in 2022/23)** is requested to fund the works at 8 schools (primary and children centres).

AMP Works at The Garden School: Virement and spend approval of **£500k in 2021/22** is requested for AMP works at The Garden school.

Ickburgh School Expansion SEN: Resource and spend approval of **£250k in 2021/22** is requested for the expansion of school places from 150 to 164 places.

3.2 That the scheme for Finance and Corporate Resources as set out in section 9.4 be given approval as follows:

Millfields Disinfecting Station Repair Works: Virement and spend approval of **£205k (£169k in 2021/22 and £36k in 2022/23)** for repairs works to this site.

3.3 That the scheme for Neighbourhood and Housing (Non) as set out in section 9.5 be given approval as follows:

Dalston (Gillett Square and Ridley Road) CCTV Upgrade: Resource and spend approval of **£197k in 2021/22** for the replacement and upgrading of CCTV at Gillett Square and Ridley Road.

3.4 That the S106 schemes as set out in section 9.6 and summarised below be approved as follows:

| S106 | 2021/22 £'000 | 2022/23 £'000 | Total |
|---|------------------|------------------|--------------|
| Revenue | 1,056 | 1,119 | 2,175 |
| Total S106 Resource & Spend for Approval | 1,056 | 1,119 | 2,175 |

3.5 That the scheme outlined in section 9.7 be noted.

| S106 | 2021/22 £'000 | Total |
|---|------------------|-----------|
| Capital | 13 | 13 |
| Total S106 Resource & Spend for Noting | 13 | 13 |

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

5.1 None.

6. BACKGROUND

6.1 Policy Context

The report to recommend the Council Budget and Council Tax for 2021/22 considered by Council on 22 February 2021 sets out the original Capital Plan for 2021/22. 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. As referenced above the feasibility work in both Dalston and Hackney Central will be subject to further community engagement and eventually consultation.

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 2021/22 currently totals **£241.605m (£96.006m non-housing and £145.600m housing)**. This starting budget position does not include the slipped budgets from 2020/21. This is funded by discretionary resources (borrowing, 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 2021/22 will total **£241.930m (£96.330m non-housing and £145.600m housing).**

| Current Directorate | Revised Budget Position | June 2021 Cabinet | Updated Budget Position |
|---------------------------------|-------------------------|-------------------|-------------------------|
| | £'000 | £'000 | £'000 |
| Chief Executive's (Non-Housing) | 4,838 | 0 | 4,838 |
| Adults, Health & Integration | 169 | 0 | 169 |
| Children & Education | 17,976 | 150 | 18,126 |
| Finance & Corporate Resources | 40,021 | (36) | 39,985 |
| Neighbourhood & Housing (Non) | 33,002 | 211 | 33,212 |
| Total Non-Housing | 96,006 | 324 | 96,330 |
| Housing | 145,600 | 0 | 145,600 |
| Total | 241,605 | 324 | 241,930 |

8. COMMENTS OF THE DIRECTOR OF LEGAL AND GOVERNANCE SERVICES

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 Council's 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.

8.6 With regard to recommendation 3.4 and paragraph 9.5 where Cabinet is being invited to approve the allocation of monies from agreements under section 106 of the Town and Country Planning Act 1990, s.106 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 Regulation 122 of the Community Infrastructure Levy Regulations 2010. Regulation 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 25 November 2015 under which contributions are secured under S106 agreements. 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.

9. CAPITAL PROGRAMME 2021/22 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 and Education:

9.2.1 **Schools Asset Management Programme (AMP) 2021/22:** Virement and spend approval of **£1,812k (£617k in 2021/22 and £1,195k in 2022/23)** 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 take place over a 3 year period. Some of the work identified is still under review and further detail will be provided, however the approval is required now so the works can be programmed and procured to meet school holiday planning cycles. As a result the final list of schools and works may be subject to change. It is intended that urgent work will be carried out at the following schools set out in the table below. The broad overview of the type of works required cover essential health and safety works, mechanic and electrical works, building fabric works, ceilings and lightings, fire upgrade works, LED lighting upgrade, boiler replacement, air con replacement, main front door replacement, flooring upgrade, water tank, outdoor balcony works, internal mag lock, heating works, and works to roof and pipework. 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 | Sir Thomas Abney |
| 2 | Oldhill School and Children's Centre (formally Tyssen Primary School & Children's Centre) |
| 3 | Berger Primary School |
| 4 | Jubilee Primary School |
| 5 | Daubeney Primary School & Children Centre |
| 6 | Development (Other priorities identified from this round of condition surveys currently being procured) |

9.2.2 AMP Works at The Garden School: Virement and spend approval of **£500k in 2021/22** is requested for AMP works at The Garden school. The AMP works at this school have been identified as a result of the expansion project for The Garden School. The expansion work is being funded through the SEN special provision capital fund and a contribution from the school. On closer investigation the roof covering in both blocks is in need of replacement and the costs of £250k should be funded through the AMP programme for the schools estate. The other amount of £250k relates to a potential issue with the hot and cold water pipework. At this stage this is currently being investigated further but if required will need to be carried out at the same time as the major works. The scheme will provide a new SEN facility for the borough by way of an extension to The Garden School, providing a facility for 50 learners with autism at KS4 and Post 16. This meets the 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 capital project supports the growth of SEN pupils within Hackney enabling them to stay in the borough to attend a post 16 school and contributing to the community, and providing a safe environment for those students to learn. This approval will have no net impact as the resources already form part of the capital programme.

9.2.3 Ickburgh Expansion SEN: Resource and spend approval of **£250k in 2021/22** for the expansion of school places from 150 to 164 places. The Government committed £215 million of capital funding (special provision capital fund) to help local authorities create new school places and improve existing facilities for children and young people with SEND. The funding is intended for children and young people who have an education, health and care plan (ECHP) for which the local authority is responsible. Hackney received £3,375m in total. The Council can invest the funding as they see fit to help children and young people with education, health and care plans to get a high-quality education. Projects approved and in delivery include provision of an additional resource provision for pupils with Autism Spectrum Disorder (ASD) at Queensbridge Primary School, additional resource

provision for pupils with Social, Emotional and Mental Health (SEMH) needs at Gainsborough Primary School and the expansion of The Garden School to provide a post 16 facility on the old Ickburgh Road site.

This proposal to expand Ickburgh School from 150 to 164 places funded through the DfE SEND capital grant provides Hackney with an opportunity to increase capacity and places for children within local Hackney schools. This proposal begins to provide an element of much needed specialist places for children with Autism Spectrum Disorder (ASD), Specific Learning Disability (SLD), Profound and Multiple Learning Disabilities (PMLD). The school has been very proactive and engaged in the proposal. This funding will cover expenditure at the school to create additional storage space so that existing spaces used for storage can be used for classrooms, additional toilet provision, associated staff facilities and additional bus parking. This expansion will support Hackney's Community Strategy priorities in particular 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 it will be funded by grant.

9.3 Finance and Corporate Resources Directorate:

9.3.1 Millfields Disinfecting Station Remedial Works: Virement and spend approval of **£205k (£169k in 2021/22 and £36k in 2022/23)** for urgent remedial works to this site. Millfields Disinfecting Station is a grade II Listed Building which has fallen into disrepair following years of water ingress and currently on The Heritage 'At-risk Register' since it was listed in the 1990s. The station dates back to the formation of Hackney Council in 1900, when it was built to deal with infectious disease, its buildings have fallen into disrepair since it was last used in the 1980s. A condition survey was carried out in March 2016 which forms the basis for the remedial works proposed. Following a site visit in March 2020 the identified works will enable the building to become watertight and provide protection until a suitable long-term use is found and the site is redeveloped. The works have received listed building planning consent in September 2020 and the condition 3 (expert supervision) has also been granted consent in November 2020. The works have been prioritised as achievable without making significant interventions into the fabric of the building.

All the works are either removable at a later date and are purely providing temporary protections; or are proposed as long term solutions and hence are suitably specified to reflect the historic status of the building. Although the proposed works are deemed to be temporary repairs, they have been proposed as a neutral intervention to ensure the longevity of the building. All materials selected are low maintenance, but their quality will help to maintain the building for the foreseeable future and complement existing materials. The works to provide protection from further decay, collapse, water ingress and the risk of trespass include the following:

- Roof repairs
- Refix of front lead dome
- Removal of ceiling plaster
- Replacement of box gutters

- Redress existing lead-work
- Removal of 9 courses of brickwork to rear extension and demolition of lower flat roof and front lean-to roofs
- Boarding up of all windows and doors and other repairs

This capital project 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 as the resources already form part of the capital programme.

9.4 Neighbourhood and Housing (Non):

9.4.1 Dalston (Gillett Square and Ridley Road) CCTV Upgrade: Resource and spend approval of **£197k in 2021/22** for the replacement and upgrading of CCTV at Gillett Square and Ridley Road. All cameras are outdated and are increasingly becoming non-repairable or replaceable. In addition, highway changes to Ridley Road require an increase in camera views to maintain and improve the coverage of the market. Ridley Road and Gillette Square currently have 14 CCTV cameras and 2 Automated Number Plate Recognition (ANPR) cameras which can be viewed live and controlled by CCTV operators. This scheme will provide 33 new High Definition cameras in their place. Ridley Road and Gillett Square have suffered from high levels of violence and anti-social behaviour for a number of years and despite the best efforts of the Police and the Council the problems remain. Most recently there has been evidence of drug supply, possession of firearms and gang related violence in addition to a high level of other notifiable offences and persistent anti-social behaviour. This is played out clearly in crimes reported to police, in feedback from the community and in observations for police and partners. There is a clear partnership plan in place to tackle these issues of which CCTV is an important part. The investment in additional CCTV cameras in this area is supported by our Metropolitan Police partners and will increase the prevention and detection of crime and ASB within Ridley Road, Gillett Square and surrounding area, increase the feeling and safety of the wellbeing of our residents and visitors and support the delivery of the Mayors priority of making Hackney a safe and enjoyable place for all.

This capital project 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' and Priority 4 'An open, cohesive, safer and supportive community'. This approval will have no net impact on the capital programme as it will be funded by discretionary resources held by the authority.

9.5 S106 Revenue Approval:

9.5.1 Revenue Resource and Spend approval is requested for **£2,175k (£1,056k in 2021/22 and £1,119k in 2022/23)** in respect of the project detailed below, to be financed by S106 contributions. The project to be carried out in accordance with the terms of the appropriate s106 agreements. This project will fund the Hackney Works team within Employment & Skills service over the next 2 years starting 2021-22. Hackney Works delivers the Council's employment and training objectives working directly with contractors, to identify apprenticeships, training and employment opportunities for residents at the construction and operational phases of each development. The team helps support people who live in Hackney and are out of work or on a low income. This includes:

- 1:1 personalised employment support
- access to IT facilities (computers) and help with job search
- CV development, job application support and interview techniques
- basic skills training including English and maths
- vocational training
- job opportunities
- access to volunteering, work placements and apprenticeships
- provide better off in work calculations and give information on in work benefits available

| Planning Site No. | Project Description | Agreement Development Site | 2021/22 £'000 | 2022/23 £'000 | Total |
|--------------------------|---------------------|---|---------------|---------------|-------|
| 2016/2413 | Hackney Works | Mare Street Studios 203-213 London E8 3QE | | 183 | 183 |
| 2015/3580 | | 501-505 Kingsland Road | | 7 | 7 |
| 2015/1700 | | The Holywell Centre 1 Phipp Street London EC2A 4PS | | 76 | 76 |
| 2015/1834 & 2018/4549 | | 84 - 86 Great Eastern Street, and 1 - 3 Rivington Street, EC2A 3JL | | 729 | 729 |
| 2012/2013 | | 1-13 Long Street, Hackney, London, E2 8HJ | | 8 | 8 |
| 2014/2552 | | Zaim Trading Estate Leaside Road, London, E5 9LU | | 21 | 21 |
| 2011/3593 | | 65-75 Scrutton Street, and 45 Curtain Road, London, EC2A 4PJ | | 22 | 22 |
| 2012/1945 | | 55 Pitfield Street, London, N1 6BU | | 9 | 9 |
| 2012/3916 | | 22-44 London Lane, London E8 3PR | | 8 | 8 |
| 2016/1030 | | 32 Cremer Street, London, E2 8HD | | 21 | 21 |
| 2015/0877 | | 5-29 Sun Street, 1-17 Crown Place 8-16 Earl Street, and 54 Wilson Street, London, EC2M 2PS (ONE CROWN PLACE) | 131 | 35 | 166 |
| 2016/3333 | | 35 Shore Road, London, E9 7TA | 56 | | 56 |
| 2017/3521 | | Vacant Care Park/Garage Site, Mandeville Street, E5 0DH | 4 | | 4 |

| | | | | |
|--|---|--------------|--------------|--------------|
| 2018/0926 | Britannia Leisure Centre (incl car park & hard courts) adjacent to Hyde Rd, & Pitfield St, N15 JU, land on the corner of PennSt, & Bridport Place; & other land within Gopsall St, Northport St & Shoreditch Park | 24 | | 24 |
| 2015/2258 | 6 Orsman Road, N1 5QJ | 181 | | 181 |
| 2015/2762 | 21 Great Eastern Street London EC2A 3EJ | 30 | | 30 |
| 2016/4414 | Majestic Hotel, 392-394 Seven Sisters Road N4 2PQ | 12 | | 12 |
| 2012/3259 | 145 City road London EC1-37 East Road N1 6AZ | 38 | | 38 |
| 2017/1720 | 22-24 Powell Road, London, E5 8DJ | 10 | | 10 |
| 2017/0596 | 183-187 Shoreditch High Street, bounded by Holywell Lane, New Inn Yard, and rail viaduct, London, E1 6HU | 353 | | 353 |
| 2018/3095 | 74 Rivington Street, London, EC2A 3AY | 23 | | 23 |
| 2016/0901 | 28 Powell Road, London, E5 8DJ | 10 | | 10 |
| 2017/0779 | The Lawns, Matthias Road, Hackney, London, N16 8QD | 32 | | 32 |
| 2011/3021 | 62 Paul Street London EC2A 4NA | 15 | | 15 |
| 2010/3151 | St. Peter's & St. Andrew's Houses | 12 | | 12 |
| 2013/0900 | Frampton Baptist Church E9 7PQ | 8 | | 8 |
| 2013/1039 | Dalston Western Curve Kingsland Highstreet E8 | 11 | | 11 |
| 2013/2640 | 143 Mare Street London E8 3RH | 0 | | 0 |
| 2013/1128 | Kings Crescent Estate London N4 2SY | 43 | | 43 |
| 2013/2042 & 2015/2577 | 51 -57 Kingsland High Street London E8 2JS | 24 | | 24 |
| 2014/2591 | 9 Shepherdess Lane London E9 6JJ | 5 | | 5 |
| 2013/0226 | 139-141 Mare Street London E8 3RH | 4 | | 4 |
| 2014/1460 | Great Eastern Buildings Reading Lane London E8 1DR | 10 | | 10 |
| 2016/3242 | 28-30 Hoxton Street & 31-37 Hoxton Street, Hackney N1 | 17 | | 17 |
| 2014/2565 | 4-14 Spurstowe Terrace London E8 1LT | 5 | | 5 |
| Total Revenue S106 for Approval | | 1,056 | 1,119 | 2,175 |

9.6 S106 Approvals For Noting:

9.6.1 The s106/CIL board meeting dated 9 December 2020 considered the following bid for resource and spend approval. As a result **£13k in 2021/22** of s106 capital funding will be spent in accordance with the terms of the appropriate s106 agreements.

| Planning Site No. | Project Description | Agreement Development Site | 2021/22 £'000 | Total |
|--------------------------------------|--|-----------------------------------|---------------|-----------|
| 2012/3677 | Highway Works at 2-4 Tottenham Road N1 4BZ | 2-4 Tottenham Road, London N1 4BZ | 13 | 13 |
| Total Capital S106 for Noting | | | 13 | 13 |

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, Senior Accountant (Capital) 020 8356 2612 samantha.lewis@hackney.gov.uk |
| Comments for the Group Director, Finance and Corporate Resources | Jackie Moylan, Director, Financial Management 020 8356 3032 jackie.moylan@hackney.gov.uk |
| Comments for the Director of Legal and Governance Services | Dawn Carter-McDonald, Director of Legal and Governance Services 020 8356 4817 dawn.carter-mcdonald@hackney.gov.uk |