



# London Borough of Hammersmith & Fulham

## CABINET

3 FEBRUARY 2014

### GREEN ESTATES – LOCAL DRAINAGE IMPROVEMENTS ON H&F ESTATES

Report of the Cabinet Member for Housing – Councillor Andrew Johnson

Open Report

Classification - For Decision

Key Decision: Yes

Wards Affected: Hammersmith Broadway; North End; Parsons Green and Walham

Accountable Executive Director: Melbourne Barrett, Executive Director of Housing and Regeneration

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## 1. EXECUTIVE SUMMARY

- 1.1. This report outlines HRD's plan to develop green infrastructure and Sustainable Urban Drainage Schemes (SUDS) on housing estates in line with the recommendations made in LBHF's Water Management policy adopted by Cabinet on 11<sup>th</sup> November 2013.
- 1.2. HRD officers have worked with Groundwork London to identify third-party funding to complete the improvements proposed here as part of a programme partially funded through an EU grant – known as the EU Life+ Programme.

## 2. RECOMMENDATIONS

- 2.1. That approval be given to the Council entering into a partnership agreement with Groundwork London to progress environmental improvements on three housing estates using EU funding allocated through the EU Life+ programme.
- 2.2. That approval be given to HRA revenue expenditure of about £359,000 (noting possible variation due to currency fluctuation between pound

sterling and the euro during the life of the project) phased over 3 years, which in turn will attract match funding of approximately £957,000 from Groundwork and EU Life+ grant.

### **3. REASONS FOR DECISION**

- 3.1. There are a number of benefits to the council and to residents of the Council's housing stock which are outlined throughout the report. An additional significant benefit is that this project will enable the council to bring forward and complete capital works on the Maystar Estate estate that would otherwise remain on the forward capital programme.
- 3.2. Access to the EU Life+ funding programme will enable LBHF to deliver some innovative climate change adaptation measures on three housing estates.
- 3.3. The overall scope of the programme gives LBHF access to a wide support network of agencies and professional bodies keen to assist and ensure positive outcomes are achieved.

### **4. INTRODUCTION AND BACKGROUND**

- 4.1. LBHF officers working with Groundwork submitted a funding bid to the European Union's EU Life+ programme 'Climate Proofing Social Housing Landscapes' for a grant to deliver environmental improvements on housing estates within the borough.
- 4.2. LBHF have a longstanding partnership with Groundwork London, an environmental regeneration charity. Groundwork are engaged on an annual basis to deliver a resident-led improvement project fund, where LBHF allocate capital funding to the project and Groundwork bring third sector funding to the schemes to add value to the projects. In addition, Groundwork work with LBHF's ground maintenance contractor Quadron Services Limited to provide work placements for local residents, and also delivered LBHF's PlayBuilder funded projects for both Housing and the then Parks Department.
- 4.3. Our funding bid has been approved, and this report updates Cabinet with the programme aims, environmental improvements, key financial issues, and programme governance.
- 4.4. This bid followed on from HRD's recent installation of green roofs and rain gardens at Flora Gardens W6.
- 4.5. The three sites identified for environmental improvements are Queen Caroline Estate W12, Maystar Estate W14, and Cyril Thatcher/Richard Knight/Eric Macdonald Houses SW6.

- 4.6. These sites were chosen as they represent a range of construction styles where differing adaptations can be deployed, and include a high proportion of hard landscaping on Maystar Estate and the Cyril Thatcher group, with Queen Caroline Estate chosen due to its proximity to the river Thames.
- 4.7. The programme will be delivered over a three year period, concluding in March 2016.

## **5. PROPOSAL AND ISSUES**

### **5.1. Programme Aims**

5.1.1 The overall programme aims are to

- demonstrate the strategic opportunity for climate change adaptation of open spaces in a social housing environment
- increase the functional green infrastructure of LBHF
- improve local strategic flood risk interventions

5.1.2 To do this we will retrofit well-researched and tested infrastructure interventions as part of developing tailored climate change adaptation solutions for our estates such as the creation of permeable surfaces, Sustainable Urban Drainage Schemes (SUDS), and using drought-resilient, predominantly native plants to minimise the need for watering.

5.1.3 The measures will also contribute to turning currently neglected spaces into productive, multi-functional landscapes and offer social and health benefits e.g. by providing high-quality locations for social interaction, formal and informal outdoor exercise and environmental learning opportunities.

### **5.2. Environmental improvements**

5.2.1 The improvements that will be delivered through the programme are:

- 2,500m<sup>2</sup> of enhanced green infrastructure
- 25% increase in permeable surfaces
- 20,000m<sup>3</sup> of water retention capacity
- 600 trees planted
- 600m<sup>2</sup> of green roofs
- 400m<sup>2</sup> of food growing capacity
- 10 rain water harvesting systems

5.2.2 In addition to the environmental improvements, the programme is targeted to achieve work placements, training opportunities, and create 12 jobs for local residents over the three year period. A long term objective is to engage with residents and establish 12 new Sustainability Champions – interested residents who will oversee HRD's ongoing resident led improvement projects.

5.2.3 A detailed programme outlines the project aims and objectives, along with target delivery dates and each milestone. The key milestones for Groundwork and LBHF are:

Community Engagement report complete	31.03.14
Adaptation Plans prepared for each site	31.03.14
Tender specifications ready	30.06.14
Phased programme of climate change adaptation measures in place across the three estates	31.12.15

### 5.3. Programme Governance

5.3.1 The reporting protocols for the EU Life+ grant are rigorous and LBHF officers will work with Groundwork to ensure all key project milestones are achieved, and the reporting deadlines are met. Groundwork are accountable to the EU as the coordinating beneficiary of the grant, responsible for successful delivery of the project and are leading on project management of the programme. Groundwork have secured an EU auditor as a 'critical friend' to oversee the programme to ensure any areas of concern for the EU are promptly highlighted and addressed.

5.3.2 A project management structure has been agreed, chaired by the Groundwork London Project Director. Regular meetings will be programmed with the core project group. The strategic lead for LBHF will be the Head of Estate services. An LBHF Finance officer has been allocated to the project to monitor LBHF expenditure against budget, and assist with reclaiming costs incurred, and a dedicated LBHF project officer responsible for agreed actions.

5.3.3 LBHF officer time spent on the programme is 50% grant funded, and an audit and accounting process already tested on other grant funded projects will be applied to this programme to ensure the opportunity to reclaim costs is maximised.

5.3.4 LBHF will maintain accurate records of all expenditure related to the project and submit claims of 50% of these costs to Groundwork on a monthly basis. The process for reclaiming costs is clearly identified in the project documentation.

5.3.5 LBHF officers will work with Groundwork on the preparation of reports and information, the design and construction at 3 sites, development of a housing staff training programme, community engagement, and all aspects of project management.

5.3.6 The procurement strategy, arrangements regarding work placements and job creation are all defined in an underpinning strategy document progress against which will be reviewed by the core project group on a regular basis.

## **6. OPTIONS AND ANALYSIS OF OPTIONS**

- 6.1. The EU Life+ grant will enable LBHF to quickly progress three projects that will assist us achieve a strategic objective by improving surface water management, thereby reducing rainwater reaching the sewer system.
- 6.2. As one of the few UK beneficiaries of the grant, this will enable LBHF to set a benchmark for future projects that involve climate change adaptations for social housing.

## **7. CONSULTATION**

- 7.1. Consultation will take place with local residents and their representatives throughout the development stages of the programme. Officers from Property Services have been involved in identifying the initial sites included in the funding bid, having identified existing water management issues on some, and potential for improved water management on others.
- 7.2. The borough's Flood Risk Manager and the lead officer for bio diversity have been invited to contribute to the development of each of the three schemes as they progress.

## **8. EQUALITY IMPLICATIONS**

- 8.1. There are no impacts on the public sector equality duty as a result of the recommendations in this report.

## **9. LEGAL IMPLICATIONS**

- 9.1. Any contracts awarded by the Council under the Programme will need to be carried out in accordance with the Council's Contract Standing Orders and the Public Contracts Regulations 2006 (as amended), if applicable. The Council should ensure that any aid granted by the EU Commission is in the compliance of the TFEU.
- 9.2. Legal Services will be available to assist to finalise the Partnership Agreement with Groundwork.
- 9.3. Implications verified/completed by: Kar-Yee Chan (Solicitor) Contracts, 020 8753 2772

## 10. FINANCIAL AND RESOURCES IMPLICATIONS

- 10.1. The overall 3 year programme budget is €1,615,636. The Council has made provision within the Housing Revenue Account business plan to fund at current exchange rates a sum of €441k (£359k) from within the Housing Revenue Account over 3 years. Additionally, the Council will incur a further €316k (£257k) of expenditure and this will be met from the EU Life grant. Groundwork will contribute €367k (£299k) from its own resources and a further €492k (£401k) of expenditure will be funded from the EU Life grant. This equates to LBHF leveraging a total of circa £957k of external funding towards the proposed projects.
- 10.2. The categories of eligible spend in qualifying for the EU Life grant are set out in its Common Provisions 2013 document. The nature of the €757k<sup>1</sup> (£616k) spend to be incurred by the Council falls within the definition of eligible expenditure as set out in Article 24 of the Common Provisions 2013 document.
- 10.3. The existing revenue resource relates to available budget with the Estate Services function of the Housing Services division in HRD.
- 10.4. Under the Common Provisions of the EU Life grant process, Groundwork London are determined as the co-ordinating beneficiary, and the Council as the associated beneficiary of the grant.
- 10.5. The Council will shortly be entering into a partnership agreement with Groundwork and officers will review terms to ensure the Council is adequately protected from any financial or other risk.
- 10.6. Officers will also devise a grant monitoring and reporting regime to ensure that funds can be reclaimed in accordance with grant conditions. For example, it will be necessary to provide signed timesheets in demonstrating officer hours and costs incurred in administering the scheme.
- 10.7. It is noted that there is a risk to the Council in ensuring the funding is sufficient to match expenditure incurred due to fluctuations in the £/€ exchange rate over the 3 year period. This will be closely monitored throughout the duration of the scheme and expenditure levels adjusted to ensure full funding.
- 10.8 Implications verified/completed by: (Danny Rochford, Head of Finance, 020 8753 4023)

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<sup>1</sup> Equal to the £359k funded from the HRA plus £257K funded by grant received directly by the Council, the balance of the investment is made directly by Groundwork, the co-ordinating beneficiary for the grant. Groundwork are responsible for ensuring that their own expenditure is eligible.

## **11. IMPLICATIONS FOR LEASEHOLDERS**

- 11.1. The conditions of the grant mean that residents cannot be recharged for the works completed and costs will not be reclaimed from leaseholders.

## **12. RISK MANAGEMENT**

- 12.1. The main risk is the EU auditors may not be satisfied with the outcomes of a project, or that the beneficiary of a grant may not fully comply with the conditions of the grant award. The risk is that the EU may seek to claw back some or all of the monies awarded from the coordinating beneficiary (Groundwork). To minimise this risk, Groundwork will review progress with the EU auditor allocated to oversee our programme.
- 12.2. A project plan and risk register will be maintained ensuring key tasks and milestones are complied with.
- 12.3. Implications verified by: (Michael Sloniowski, Bi-borough Risk Manager, 020 8753 2587)

## **13. PROCUREMENT AND IT STRATEGY IMPLICATIONS**

- 13.1. It is noted that the Council will shortly be entering into a partnership agreement with Groundwork and officers will review terms to ensure the Council is adequately protected from any financial or other risk.
- 13.2. The procurement of the works will be required to be conducted in accordance with the Council's Contract Standing Orders including the use of the Council's e-tendering system.
- 13.3. Implications verified/completed by: (Robert Hillman, Procurement Consultant x1538)

### **LOCAL GOVERNMENT ACT 2000** **LIST OF BACKGROUND PAPERS USED IN PREPARING THIS REPORT**

<b>No.</b>	<b>Description of Background Papers</b>	<b>Name/Ext of holder of file/copy</b>	<b>Department/ Location</b>
1.	N/A		