



# DECISION OF THE EXECUTIVE MAYOR

Thursday, 26th May, 2016

at 11.00 am

Room 44 Hackney Town Hall - Town Hall

**Committee Members:**

Mayor Jules Pipe

**Tim Shields**  
Chief Executive

Contact: Jackie Dally  
Tel: 020 8356 3503  
Email: [Jackie.Dally@hackney.gov.uk](mailto:Jackie.Dally@hackney.gov.uk)

The press and public are welcome to attend this meeting

# AGENDA

Thursday, 26th May, 2016

## ORDER OF BUSINESS

Item No		Page No
1	FREEHOLD ACQUISITION OF LAND AT 231-237 GRAHAM ROAD HACKNEY LONDON	1 - 18

## Access and Information

### Location

Hackney Town Hall is on Mare Street, bordered by Wilton Way and Reading Lane.

**Trains** - Hackney Central Station (London Overground) - Turn right on leaving the station, turn right again at the traffic lights into Mare Street, walk 200 metres and look for the Hackney Town Hall, almost next to The Empire immediately after Wilton Way.

**Buses** 30, 48, 55, 106, 236, 254, 277, 394, D6 and W15.

### Facilities

There are public toilets available, with wheelchair access, on the ground floor of the Town Hall.

Induction loop facilities are available in Rooms 102 and the Council Chamber

### Copies of the Agenda

The Hackney website contains a full database of meeting agendas, reports and minutes. Log on at: [www.hackney.gov.uk](http://www.hackney.gov.uk)

Paper copies are also from the Governance Services Officer whose contact details are shown on page 2 of the agenda.

### Council & Democracy Website – [www.hackney.gov.uk](http://www.hackney.gov.uk)

The Council & Democracy section of the Hackney Council website contains details about the democratic process at Hackney, including:

- Mayor of Hackney
- Your Councillors
- Cabinet
- Speaker
- MPs, MEPs and GLA
- Committee Reports
- Council Meetings
- Executive Meetings and Key Decisions Notice
- Register to Vote
- Introduction to the Council
- Council Departments

## DEMOCRATIC PROCESS

### Representation

Contact details for all Councillors are available on the website or by calling 020 8356 3207.

Ward Councillors may be contacted at their surgeries or through the Members' Room at the Town Hall (020 8356 3207).

You may also write to any Councillor or a member of the Cabinet c/o Hackney Town Hall, Mare Street, London E8 1EA.

### Scrutiny Procedures

Details are listed in Part 4 of the Council's constitution, see the website for more details

### Executive Meetings and Key Decisions Notice

The procedure for taking Key Decisions is listed in Part 4 of the Council's Constitution, available on the website.

The Executive Meetings and Key Decisions Notice showing Key Decisions to be taken is available on the Council's website and at the Town Hall.

### Emergency Procedures

In case of fire or any other emergency the Head of Governance Services or his/her nominated officer will ensure orderly evacuation of all those present in the meeting room. All Members Officers and members of the public should proceed without delay to the assembly meeting point near the car park at the back of the Town Hall where the nominated officer will conduct a count of all who have been evacuated to ensure that all are safe.

### Advice To Members And Officers On Handling Exempt Papers

- Do not photocopy
- Store securely for as long as you hold it
- All papers can be given to Governance Services Officers who will dispose of them appropriately and arrange for them to be recycled
- Note that copies of all exempt papers are held by Governance Services staff.

## ADVICE TO MEMBERS ON DECLARING INTERESTS

Hackney Council's Code of Conduct applies to all Members of the Council, the Mayor and co-opted Members.

This note is intended to provide general guidance for Members on declaring interests. However, you may need to obtain specific advice on whether you have an interest in a particular matter. If you need advice, you can contact:

- The Director of Legal;
- The Legal Adviser to the committee; or
- Governance Services.

If at all possible, you should try to identify any potential interest you may have before the meeting so that you and the person you ask for advice can fully consider all the circumstances before reaching a conclusion on what action you should take.

### 1. Do you have a disclosable pecuniary interest in any matter on the agenda or which is being considered at the meeting?

You will have a disclosable pecuniary interest in a matter if it:

- relates to an interest that you have already registered in Parts A and C of the Register of Pecuniary Interests of you or your spouse/civil partner, or anyone living with you as if they were your spouse/civil partner;
- relates to an interest that should be registered in Parts A and C of the Register of Pecuniary Interests of your spouse/civil partner, or anyone living with you as if they were your spouse/civil partner, but you have not yet done so; or
- affects your well-being or financial position or that of your spouse/civil partner, or anyone living with you as if they were your spouse/civil partner.

### 2. If you have a disclosable pecuniary interest in an item on the agenda you must:

- Declare the existence and nature of the interest (in relation to the relevant agenda item) as soon as it becomes apparent to you (subject to the rules regarding sensitive interests).
- You must leave the room when the item in which you have an interest is being discussed. You cannot stay in the meeting room or public gallery whilst discussion of the item takes place and you cannot vote on the matter. In addition, you must not seek to improperly influence the decision.
- If you have, however, obtained dispensation from the Monitoring Officer or Standards Committee you may remain in the room and participate in the meeting. If dispensation has been granted it will stipulate the extent of your involvement, such as whether you can only be present to make representations, provide evidence or whether you are able to fully participate and vote on the matter in which you have a pecuniary interest.

### 3. Do you have any other non-pecuniary interest on any matter on the agenda which is being considered at the meeting?

You will have 'other non-pecuniary interest' in a matter if:

- i. It relates to an external body that you have been appointed to as a Member or in another capacity; or
- ii. It relates to an organisation or individual which you have actively engaged in supporting.

### 4. If you have other non-pecuniary interest in an item on the agenda you must:

- i. Declare the existence and nature of the interest (in relation to the relevant agenda item) as soon as it becomes apparent to you.
- ii. You may remain in the room, participate in any discussion or vote provided that contractual, financial, consent, permission or licence matters are not under consideration relating to the item in which you have an interest.
- iii. If you have an interest in a contractual, financial, consent, permission or licence matter under consideration, you must leave the room unless you have obtained a dispensation from the Monitoring Officer or Standards Committee. You cannot stay in the room or public gallery whilst discussion of the item takes place and you cannot vote on the matter. In addition, you must not seek to improperly influence the decision. Where members of the public are allowed to make representations, or to give evidence or answer questions about the matter you may, with the permission of the meeting, speak on a matter then leave the room. Once you have finished making your representation, you must leave the room whilst the matter is being discussed.
- iv. If you have been granted dispensation, in accordance with the Council's dispensation procedure you may remain in the room. If dispensation has been granted it will stipulate the extent of your involvement, such as whether you can only be present to make representations, provide evidence or whether you are able to fully participate and vote on the matter in which you have a non pecuniary interest.

### Further Information

Advice can be obtained from Yinka Owa, Director of Legal, on 020 8356 6234 or email [yinka.Owa@hackney.gov.uk](mailto:yinka.Owa@hackney.gov.uk)



FS 566728



<p><b>REPORT OF THE EXECUTIVE MAYOR</b></p> <p><b>FREEHOLD ACQUISITION OF LAND AT 231-237 GRAHAM ROAD HACKNEY LONDON</b></p> <p><b>Special Urgency Report</b></p> <p><b>26 May 2016</b></p>	<p><b>CLASSIFICATION:</b></p> <p><b>Open</b></p> <p><b>If exempt, the reason will be listed in the main body of this report.</b></p>
<p><b>WARD(S) AFFECTED</b></p> <p><b>Hackney Central</b></p>	
<p><b>LEAD MEMBER</b></p> <p><b>Mayor Pipe</b></p>	
<p><b>KEY DECISION</b></p> <p><b>Yes</b></p> <p><b>REASON</b></p> <p><b>Spending or Savings</b></p>	
<p><b>GROUP DIRECTOR</b></p> <p><b>Ian Williams Group Director Finance &amp; Corporate Resources</b></p>	

## **REASONS FOR SPECIAL URGENCY**

**Pursuant to Regulation 11 of The Local Authority (Executive Authority) (Meeting and Access to Information) (England) Regulations 2012 this report is submitted under Special Urgency.**

**This item is to be considered under the Council's Urgency Procedure.**

**The reason for urgency is that it is not expedient to defer the process until the next Cabinet meeting given the circumstances. In view of the strategic location of this property adjacent to existing Council ownership it is important therefore that this opportunity to purchase is not lost.**

### **1. CABINET MEMBER'S INTRODUCTION**

- 1.1 This property acquisition effectively extends the Council's existing ownership immediately adjacent and to the rear of 333-337 Mare Street comprising the Iceland store.
- 1.2 The strategic location of this property is such that it could potentially assist the Council in any plans that may come forward in the future for this area and its existing property holdings.
- 1.3 I commend this report and the recommendation to acquire the freehold interest in this property.

### **2. GROUP DIRECTOR'S INTRODUCTION**

- 2.1 This report seeks approval to purchase the freehold interest in a parcel of land located to the rear of the Iceland store at 333-337 Mare Street which the Council acquired last year as a strategic purchase within Hackney Central.
- 2.2 This is a further strategic acquisition within Hackney Central which will enable the Council to secure ownership of a key site for which there are a number of options not least to further shape and potentially improve and enhance the capital value of its adjacent properties.
- 2.3 The purchase price agreed is predicated on the fact that this land already benefits from a planning consent for a mixed use commercial/residential development. This consent recognizes the development potential of this site albeit it has a special value to the Council as it could be combined with adjacent ownership to provide a larger and more comprehensive development in the future.
- 2.4 It is proposed that pending future development plans for this site that Meanwhile Uses generating rental income will be sought.



### **3. RECOMMENDATIONS**

- 3.1 To authorise the Council's purchase of the freehold interest in land at 231-237 Graham Road London, shown edged red on the plan attached at Appendix A and on the commercial and other terms set out in exempt Appendix B.**
- 3.2 To authorise the Group Director of Finance and Corporate Resources to agree the commercial terms for the acquisition to achieve exchange and completion of the acquisition.**
- 3.3 To authorise the Director of Legal to agree, settle, negotiate and complete the legal documentation for the acquisition of the freehold interest in 231-237 Graham Road and all other relevant and ancillary legal documentation arising thereto and to sign and complete them on behalf of the Council.**
- 3.4 To delegate to the Group Director of Finance and Corporate Resources authority to determine the most cost effective option in terms of financing the acquisition provided that it represents best value on the part of the Council.**

### **4. REASONS FOR DECISION**

- 4.1 The acquisition of this property is entirely opportunistic but given its location adjacent to the Council's existing ownership, control of this property is considered as likely to be highly significant in helping to shape any future plans within this area.**

### **5. DETAILS OF ALTERNATIVE OPTIONS CONSIDERED AND REJECTED**

- 5.1 No alternative options have been considered as this is a standalone opportunity supported on its own merits.**

### **6. BACKGROUND**

- 6.1 The Council already has a significant land holding at 333-337 Mare Street which it acquired in 2015. That property is occupied under a lease granted to Iceland. The location of the property that forms the subject of this report is considered relevant because it lies immediately to the rear of the Iceland store and could potentially be amalgamated with it in the future to unlock further development and enhance the capital value and rental income.**

6.2 This property comprises a cleared site extending to 0.096 acres. There is a planning consent for a mixed use development comprising a ground floor commercial unit of 800 sq ft and 7470 sq ft of residential accommodation within 9 units arranged over ground and three upper floors.

6.3 The financial terms that have subsequently been agreed for the purchase of this property are as set out within exempt Appendix B and the Business Case/Justification along with Development Appraisal is contained within exempt Appendix C. The vendor has already elected for VAT and it is therefore payable on the purchase price. The Council will similarly need to elect prior to completion to enable it to recover this VAT.

#### 6.4 **Policy Context**

The purchase of the freehold interest in this property is seen as potentially assisting with any plans that may arise in the future. It is proposed that Meanwhile Uses will be sought for the site in the interim.

#### 6.5 **Equality Impact Assessment**

No equalities issues are believed to arise from this report.

#### 6.6 **Sustainability**

No sustainability issues arise from this report.

#### 6.7 **Consultations**

No consultations have been conducted with Ward Members although there have been prior discussions with the Lead Member for Property the Mayor and the Capital & Investment Board has agreed that in principle this purchase should be pursued.

#### 6.8 **Risk Assessment**

This is a strategic site acquisition which could potentially be amalgamated with the Council's adjacent ownership. It is regarded as low risk as this site currently benefits from a planning consent which accordingly underpins its value and the purchase price agreed. Also as a key site in the heart of Hackney Central adjacent to Hackney Central station it is considered not only likely to hold its value but to see an increase given the development of the fashion hub and potential for Cross Rail 2.

## **7 COMMENTS FROM INTERIM DIRECTOR STRATEGIC PROPERTY SERVICES**

- 7.1 The purchase price agreed (as shown in the exempt Appendix B) is a fair representation of the market value of this site with the benefit of a planning consent for a mixed use commercial/residential development.
- 7.2 This price can also be further predicated on the strategic significance and location of this property adjacent to the Council's existing ownership at 333-337 Mare Street.
- 7.3 Paragraphs 8 below and Appendices B & C outline the financial benefits of the acquisition and the strategic significance of the site within Hackney Central which may contribute to any future plans for the area to achieve economic growth. Paragraph 7 & 8 also confirms that the acquisition is at a fair price. The reasons given are in line with the statutory power under section 120 of the Local Government Act 1972.
- 7.4 The Council has the opportunity to acquire this land notwithstanding the fact that the existing landowner was proposing to develop out the existing planning consent. This is nevertheless agreed on the basis that exchange of contracts is required to take place no later than 20 working days from receipt of the pack of legal documentation. A thorough due diligence exercise must be undertaken to assess the rights and interests affecting the property and the potential future use of the site before exchange should be effected.

## **8 COMMENTS OF THE GROUP DIRECTOR OF FINANCE & CORPORATE RESOURCES**

- 8.1 As set out in this report, the acquisition of this site will add value to the Council's present ownership of the adjacent site providing scope for intensified use and therefore maximum value. It also adjoins Hackney Central Station and provides a further important strategic purchase in the Hackney Central area.
- 8.2 The purchase price as set out in exempt Appendix B is considered to be a fair price, as set out in the comments from the Interim Director, Strategic Property Services. It is anticipated that the purchase will be financed from reserves held by the authority although the final option for financing will be considered as part of the wider financing of the capital programme to ensure that the option representing best value is used.

## 9 COMMENTS OF THE DIRECTOR OF LEGAL

- 9.1 The Local Government Act 1972, Section 120 empowers the Council to acquire land by agreement with a third party for (a) the purpose of any of its functions, or (b) the benefit, improvement or development of its area.
- 9.2 Furthermore the Council has a general power of competence pursuant to Section 1 of the Localism Act 2011 to acquire the property the subject of this report.
- 9.3 As set out in paragraph 7.4 of the report, given the requirement to exchange within 20 days there may be insufficient time for the results of all the usual local and other relevant searches to be obtained. The usual practice in these circumstances is to await receipt of all such searches before proceeding to exchange of contracts but given the circumstances of this acquisition the Group Director for Finance and Corporate Resources has indicated that he will take such a commercial view on whether or not to proceed with the acquisition in the absence of such information.

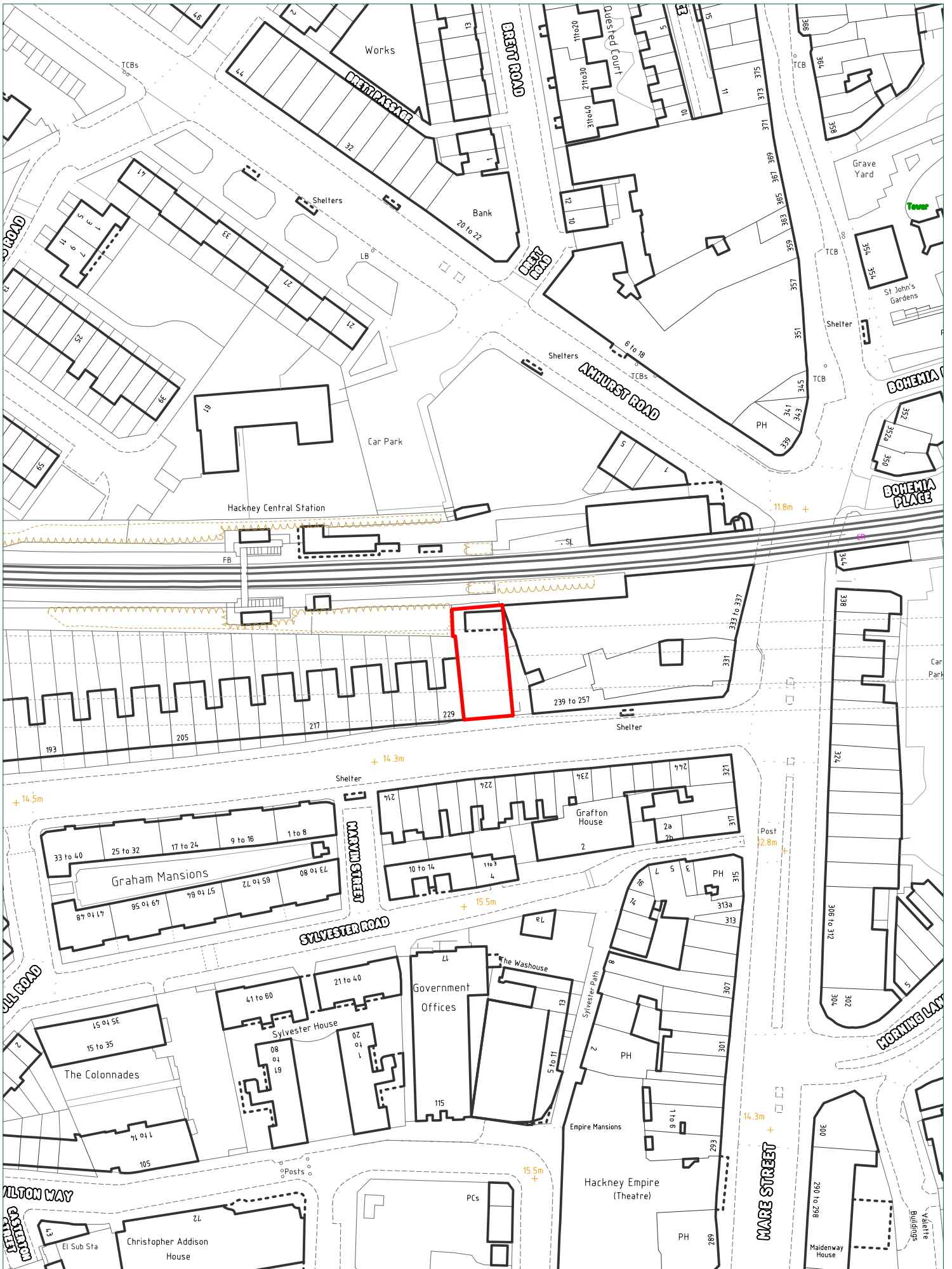
### Exempt Appendices B & C

#### Appendices B & C are classified as Exempt on the following basis:

By virtue of Paragraph (3) Part 1 of schedule 12A of the Local Government Act 1972 Appendices B & C to the report are exempt because they contain information relating to the financial or business affairs of any particular person (including the authority holding the information) and it is considered that the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

### BACKGROUND PAPERS - NONE

<b>Report Author</b>	Peter Edwards– Tel: 020 8356 2603 <a href="mailto:Peter.edwards@hackney.co.uk">Peter.edwards@hackney.co.uk</a>
<b>Comments of the Group Director of Finance and Corporate Resources</b>	Michael Honeysett – Tel: 020 8356 3332 <a href="mailto:Michael.honeysett@hackney.co.uk">Michael.honeysett@hackney.co.uk</a>
<b>Comments of the Director of Legal</b>	Dennis Macharaga – Tel 020 8356 3981 – Property and Regeneration <a href="mailto:Dennis.macharaga@hackney.gov.uk">Dennis.macharaga@hackney.gov.uk</a>
<b>Comments of the Interim Director for Strategic Property Services</b>	Chris Pritchard – Tele 020 8356 3700 <a href="mailto:Chris.Pritchard@hackney.gov.uk">Chris.Pritchard@hackney.gov.uk</a>



This page is intentionally left blank

Document is Restricted

This page is intentionally left blank



Document is Restricted

This page is intentionally left blank

Document is Restricted

This page is intentionally left blank