



This document outlines the decisions taken by Cabinet on Monday, 23 October 2023.

Decisions listed below that are Key Decisions will come into force and may then be implemented on the expiry of 5 clear working days unless called-in by at least 5 non-executive members in writing and submitted to the Monitoring Officer.

Date of Publication: 24 October 2023

Last Date for Call-In: 31 October 2023

Contact: Mark Agnew, Governance Officer, governance@hackney.gov.uk, 020 8356 2398

Agenda Item No	Topic	Decision
----------------	-------	----------

Items considered in public

8	FCR S204 Capital Update and Property Disposals And Acquisitions Report	<p>RESOLVED:</p> <ol style="list-style-type: none">1. That the scheme for Finance & Corporate Resources as set out in section 11 be given approval as follows: Millfield Waste Depot Rectification Works: Resource and spend approval of £897k (£65k in 2023/24, £772k in 2024/25 and £60k in 2025/26) is requested to enable Council officers to proceed with the rectification works associated with various long standing, latent ground defects at the site.2. That the scheme for Climate, Homes & Economy Directorate as set out in section 11 be given approval as follows: Olive School: Resource and spend approval of £391k (£274k in 2023/24 and £117k in 2024/25) is requested to enable Council officers to carry out Highway Works at this school site.3. That the s106 Capital scheme summarised below and set out in section 11 be
---	--	--

London Borough of Hackney – Decisions taken by the Cabinet on Monday 23 October 2023

Agenda Item No	Topic	Decision
----------------	-------	----------

approved:

S106	2023/24 £'000	2024/25 £'000	Total
Capital	0	44	44
Total Capital S106 for Approval	0	44	44

4. That the s106 Capital scheme summarised below and set out in section 12 be noted:

S106	2023/24 £'000
Capital	140
Total Capital S106 for Noting	140

5. That the capital adjustments of the budgets outlined in section 12 be noted and summarised below be noted:

Current Directorate	Budget 2023-24	Change	Updated Budget 2023-24	Budget 2024-25	Change	Updated Budget 2024-25	Budget 2025-26	Change	Updated Budget 2025-26
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Non Housing	2,624	1,900	4,524	8,674	(1,454)	7,220	6,512	(446)	6,066
Total	2,624	1,900	4,524	8,674	(1,454)	7,220	6,512	(446)	6,066

6. Authorise entering into an agreement to lease (“the Agreement”) with the Old Fire

London Borough of Hackney – Decisions taken by the Cabinet on Monday 23 October 2023

Agenda Item No	Topic	Decision
		<p align="center">Station Stoke Newington CIO to grant a lease of up to 25 years for 61 Leswin Rd, London, N19 7NX (“the Property”) as is shown edged red on the plan attached at Appendix 1.</p> <p>7. To agree that the terms of the agreement be that, prior to the grant of the lease, the Old Fire Station Stoke Newington CIO should:</p> <ul style="list-style-type: none"> a. Submit a viable project plan which details the development plans and the associated fundraising strategy, to be agreed by the Council, within 6 months from the date of the Agreement. b. Submit a business plan setting out how the OFS will operate for the benefit of local residents, which includes provision for full maintenance of the premises, to be agreed by the Council. c. Provide evidence that planning permission has been granted for the proposed scheme within 18 months from the date of the Agreement. d. Provide written confirmation from funders, within 18 months from the Agreement, that all finance for the development is available to proceed to a start on site. e. Submit final construction plans to the Council for approval prior to commencement of works. f. Submit relevant documents certifying the practical completion of construction works within 2 months of completion. g. Enter into a Community Agreement with the Council which will set out services and benefits to be delivered to local residents and include provision for ongoing monitoring and reporting. h. To commence and complete the works and meet all terms and conditions of the agreement to lease within 4 years of the date of that agreement. i. To authorise the Acting Director of Legal, Democratic and Electoral Services to terminate this agreement for lease if the conditions above are

London Borough of Hackney – Decisions taken by the Cabinet on Monday 23 October 2023

Agenda Item No	Topic	Decision
		<p align="center">not met within the specified deadlines.</p> <p>8. To authorise the Acting Director of Legal, Democratic and Electoral Services and the Director of Strategic Property Services to agree all commercial terms of the Agreement to Lease and lease on the basis of these conditions and to incorporate a covenant that a lease will be granted upon the full performance of these terms.</p> <p>9. To delegate authority to the Interim Group Director, Finance and the Acting Director of Legal, Democratic and Electoral Services to agree all necessary documentation and enter into a lease of up to 25 years, and to agree all other terms of the lease provided that the requirements of S123 Local Government Act 1972 are met.</p> <p>REASONS FOR DECISION</p> <p>The decisions required are necessary in order that the schemes within the Council’s approved Capital programme can be delivered and to approve the property proposals as set out in this report.</p> <p>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.</p> <p>To facilitate financial management and control of the Council's finances.</p> <p>Proposed lease of The Old Fire Station, 61 Leswin Road N16 7NX: The purpose of entering into an agreement for a long lease is to enable OFS to secure significant capital funding for</p>

London Borough of Hackney – Decisions taken by the Cabinet on Monday 23 October 2023

Agenda Item No	Topic	Decision
		<p>improvements to the premises. For the level of capital investment OFS are seeking, approximately £2.3m, funders will usually require them to have secured a lease of 25 years.</p> <ul style="list-style-type: none"> • The approach adopted for the OFS’s development plans for this site is consistent with the strategy the Council has adopted moving forward as a potential option for complex and high-cost non-core assets. A conditional agreement to grant a 25 year lease will enable OFS to apply for capital funds to invest in this asset. • Where longer term leases are agreed, these would typically be on full repairing and insuring terms with the tenant being responsible for repairs and maintenance during the term of the lease. • If the tenant successfully delivers their own capital improvement plans at the site, this will enhance the scope, scale and quality of services to the local community, and support the viability and sustainability of the Old Fire Station CIO. • The services provided by the OFS deliver environmental, economic and social benefits for the area and to local communities. For example; Growing Communities grow and distribute sustainably grown and sourced food to local residents, OFS contributes to local economic objectives by providing employment opportunities, training, volunteering opportunities and support working parents through the provision of nursery places and co-working space for local organisations, OFS is a also local community hub providing spaces for events, community meetings, social activities and a wide range of health and wellbeing and information and advice services. <p>DETAILS OF ALTERNATIVE OPTIONS CONSIDERED AND REJECTED</p> <p>Proposed lease of The Old Fire Station, 61 Leswin Road N16 7NX: The Council has considered and rejected a number of alternative options as set out below. It is important to note, however, that if the OFS is not able to meet the conditions set out in the Agreement to Lease, these options will have to be reconsidered.</p>

London Borough of Hackney – Decisions taken by the Cabinet on Monday 23 October 2023

Agenda Item No	Topic	Decision
		<p>Continue Current arrangement: The option to continue to lease the premises on the current basis - standard VCS lease terms would not enable the tenant to secure the significant investment the building requires. If we proceeded on this basis the asset would not be upgraded and modernised, services to local residents would not be enhanced, and the Council would continue to bear the annual maintenance and repair cost (approximately £20k) of this complex asset. The current rent paid by the tenant does not cover these costs so the building would continue to run at a loss. It is unlikely that the rent could be increased without putting the operation at risk. It is anticipated that within the next 3 - 5 years the Council would have to invest a significant capital sum to address further repairs, Minimum Energy Efficiency Standards (MEES) and other statutory obligations in order to continue to let the building. There is also a risk in the medium to longer term, that the OFS would find it challenging to continue operating the building if there was no agreement from the Council to grant a longer term lease to facilitate investment. If the building is not improved this will affect the future income, viability and sustainability of the OFS. This could leave the Council with a very challenging asset management issue, with the 6 sub occupiers expecting to remain in situ.</p> <p>Letting on Commercial Terms: The current operation of the building, i.e. being used by not-for-profit organisations and community groups, would not be sustainable on a commercial rent. The only way a commercial rent option could be implemented would be to terminate the current arrangement and the occupation of existing users, and re-let to commercial operators. This would present a number of significant challenges, including legal and practical implications of getting vacant possession; planning restrictions; and financial viability of converting the building to suit modern, commercial occupier needs, such as Minimum Energy Efficiency Standards (MEES) obligations, upgraded mechanical and electrical services and a lift. This option is therefore not likely to be practically or financially viable.</p> <p>Development for residential use: This option presents similar challenges; the legal and practical implications of getting vacant possession; lack of financial viability to convert to affordable housing in line with Council Policies; and planning restrictions.</p>

London Borough of Hackney – Decisions taken by the Cabinet on Monday 23 October 2023

Agenda Item No	Topic	Decision
		<p>Freehold Disposal of the Asset: This is a locally listed heritage asset that is a unique and longstanding asset in the Council’s portfolio and is considered to be a landmark building by local residents and wider community and also a key part of the wider VCS portfolio. A freehold disposal would likely attract residential developers and, whilst the organisation in occupation may well want to bid, it is likely that they would struggle to raise the capital to fund a purchase and the renovations they would like to undertake. A freehold disposal would in all probability mean the end of the tenure of the current organisation, the loss of the services they provide to local residents and the conversion of the premises to residential use. A disposal of the freehold to the current occupiers in an ‘off market’ transaction is another option that has been discounted as, in all probability, it would have to be at a substantial discount to market value, as indeed is the approach recommended in this report. This would be without the control that a leasehold transaction allows at the end of the lease, ultimately, the premises returning to the Council.</p>
9	FCR S205 2023/24 Overall Financial Position Report - August 2023	<p>RESOLVED:</p> <p>To note the overall financial position of the Council as at August 2023 as set out in this report.</p> <p>REASONS FOR DECISION</p> <p>To facilitate financial management and control of the Council's finances.</p> <p>DETAILS OF ALTERNATIVE OPTIONS CONSIDERED AND REJECTED</p> <p>This budget monitoring report is primarily an update on the Council’s financial position</p>