

**MINUTES OF A MEETING OF THE CABINET
MONDAY 23 OCTOBER 2023**

THE COUNCIL CHAMBER, HACKNEY TOWN HALL,
LONDON, E8 1EA

- Councillors Present: **Deputy Mayor Anntoinette Bramble in the Chair**
**Cllr Robert Chapman, Cllr Mete Coban MBE (Part),
Cllr Susan Fajana-Thomas, Cllr Christopher
Kennedy, Cllr Carole Williams, Cllr Caroline
Woodley**
- Apologies: **Cllr Clayeon McKenzie and Cllr Guy Nicholson**
- Officers in Attendance: **Mark Agnew, Governance Officer
Dawn Carter-McDonald, Interim Chief Executive
Louise Humphreys, Acting Director of Legal,
Democratic & Electoral Services
Tessa Mitchell, Team Leader, Governance Services
Jackie Moylan, Interim Group Director, Finance**

1 Apologies for Absence

1.1 Apologies were received from Cllr Nicholson and Cllr McKenzie.

2 Declarations of Interest

2.1 There were no declarations of interest.

3 Urgent Unrestricted Business

3.1 There was no urgent business for consideration.

**4 Notice of Intention to Conduct Business in Private, Any Representations
Received and the Response to Such Representations**

4.1 No representations were received.

5 Questions/Deputations

5.1 No questions were received.

6 Unrestricted Minutes of the Previous Meeting of Cabinet

**RESOLVED: That the minutes of the previous meeting of the Cabinet held on 25
September 2023 be agreed as a true and accurate record of proceedings.**

**7 Unrestricted Minutes of the Cabinet Procurement and Insourcing
Committee**

7.1 Due to the rescheduling of the Cabinet Procurement and Insourcing Committee (CPIC), minutes were not available to be noted at this meeting.

8 FCR S204 Capital Update and Property Disposals And Acquisitions Report

8.1 Deputy Mayor Bramble, Chair of Cabinet and Cabinet Member for Education, Young People and Children’s Social Care, confirmed the Council’s continued investment into capital assets to support communities, businesses, and residents.

8.2 Cllr Robert Chapman, Cabinet Member for Finance, Insourcing and Customer Service, introduced the report and highlighted the extension of the lease for the Old Fire Station in Stoke Newington, enabling it to continue as a valuable community asset; the highway works on Clapton Road, to benefit children accessing the Olive School; and the redevelopment works at Millfields Depot.

8.3 Cllr Mete Coban, Cabinet Member for Climate Change, Environment and Transport, and Cllr Susan Fajana-Thomas, Cabinet Member for Community Safety and Regulatory Services, both spoke in support of the measures in the report.

Cllr Coban left the meeting before the vote and returned for agenda item 10.

RESOLVED:

- 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 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 Approval	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 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.
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:
- 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.
 - 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.
 - Provide evidence that planning permission has been granted for the proposed scheme within 18 months from the date of the Agreement.
 - 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.
 - Submit final construction plans to the Council for approval prior to commencement of works.
 - Submit relevant documents certifying the practical completion of construction works within 2 months of completion.
 - 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.
 - 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.
 - To authorise the Acting Director of Legal, Democratic and Electoral Services to terminate this agreement for lease if the conditions above are not met within the specified deadlines.
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.

- 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.**

REASONS FOR DECISION

The reasons for the decision were included in the printed decisions, published on the 24 October 2023, and can be [found here](#).

DETAILS OF ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

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.

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.

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.

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.

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.

9 FCR S205 2023/24 Overall Financial Position Report - August 2023

- 9.1 Deputy Mayor Bramble reminded attendees of the requirement upon the Council to set a balanced budget, and that rising costs and demand for services had been putting pressure on finances. Although Officers, under Cllr Chapman's leadership, had worked hard to resolve this, local authorities would also require long term solutions from the Government.
- 9.2 Cllr Chapman introduced the report noting the small increase in the overspend to £9.3m, and thanked colleagues and Officers for their hard work. Deputy Mayor Bramble also highlighted the important role that Scrutiny had played.

RESOLVED:

To note the overall financial position of the Council as at August 2023 as set out in this report.

REASONS FOR DECISION

To facilitate financial management and control of the Council's finances.

DETAILS OF ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

This budget monitoring report is primarily an update on the Council's financial position

10 Executive Response to the Overarching Scrutiny Panel Investigation into Net Zero - For Noting

- 10.1 Deputy Mayor Bramble restated the Council's ambition to achieve Net Zero, as reflected in the Council's declaration of a climate emergency in 2019 and the adoption of the Climate Action Plan.
- 10.2 When introducing the report, Cllr Coban welcomed the work of the Scrutiny Panel, whose insights had assisted the Council develop its plans in a more cross-cutting way. Cllr Coban also highlighted the focus on social justice and that this would be a continually evolving workstream.

RESOLVED: That Cabinet approves the Executive response, found in Appendix 1, to the Scrutiny Panel Overarching Review into Net Zero.

REASONS FOR DECISION

Hackney Council is required to produce an Executive response to the Scrutiny Panel Overarching Review into Net Zero. The response draws on work underway or planned and is in line with principles, values and priorities held by Hackney Council.

DETAILS OF ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

Scrutiny Reviews follow a set process that involves recommendations and responses by officers resulting in a report to Cabinet and hence there are no alternative options to be considered.

11 Schedule of Local Authority School Governor Appointments

11.1 Deputy Mayor Bramble introduced the report confirming the important role that Governors play in assisting the Council to deliver high standards of education to Hackney's children and young people, and that 97% of Hackney's schools are 'good' and 'outstanding'.

RESOLVED:

To approve the following nominations as set out below:

Governing Body	Name	Date Effective
Our Lady's Catholic High School	Leonard Benn	23 October 2023

12 Exclusion of the Press and Public

RESOLVED: THAT the press and public be excluded from the proceedings of the Cabinet during consideration of Exempt items 13 - 14 on the agenda on the grounds that it is likely, in the view of the nature of the business to be transacted, that were members of the public to be present, there would be disclosure of exempt information as defined in paragraphs 1 and 2 of Schedule 12A to the Local Government Act 1972 as amended.

13 FCR S204 Capital Update and Property Disposals And Acquisitions Report - Exempt Appendix

13.1 The Cabinet agreed that no further consideration of the exempt appendices in relation to agenda item 8 was required.

14 Urgent Exempt Business

14.1 There were no new exempt items for consideration.

Monday 23 October 2023

Duration of the meeting: 6.03 - 6.33 pm