



<b>Capital Update and Property Disposals and Acquisitions Report</b> <b>Key Decision No - FCR R88</b>	
<b>CABINET MEETING DATE (2021/22)</b>  24 January 2022	<b>CLASSIFICATION:</b>  Open  <b>If exempt, the reason will be listed in the main body of this report.</b>
<b>WARD(S) AFFECTED</b>  All Wards	
<b>CABINET MEMBER</b>  Philip Glanville, Mayor of Hackney	
<b>KEY DECISION</b>  Yes  <b>REASON</b>  Spending or Savings	
<b>GROUP DIRECTOR</b>  Ian Williams, Finance and Corporate Resources	

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

- 1.1 This report on the capital programme for 2021/22 updates members on the programme agreed in the 2021/22 budget and brings forward an exciting opportunity working in partnership with East and South-East Asian communities in Hackney through entering into a lease agreement to restore community, voluntary sector and business space in Englefield Road. These communities have suffered a lot during the pandemic including rising hate crime, economic shocks and face emerging needs around the plight of Hong Kongers fleeing repression. Led by Hackney Archives we are also working with the Vietnamese Community to restore the An-Viet Archive which used to be housed in this building, but has since been damaged and put at risk when the building was squatted. Overall this project continues our work to bring back into use and maintain those buildings in the corporate estate that are earmarked for voluntary sector uses and ensure they are fit for purpose and we maximise their use to deliver on the Council and the borough's priorities represented in the Community Strategy 2020-28 and the VCS Strategy 2019.
- 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 invest in public facilities that everyone can enjoy.
- 1.3 This month approval is sought for investment of £3,857k in Transport for London funded schemes across a range of projects to reduce road traffic accidents, deliver Vision Zero and encourage sustainable transport within the borough. In its Emergency Transport Plan, the Council recognised that the pandemic has changed the way we all get around - people are walking and cycling more, spending more time in their local area and drastically reducing the amount they travel by public transport. This investment will help to deliver a range of measures to reallocate road space to enable more walking and cycling and to support social distancing on public transport.
- 1.4 Approval is sought for S106 contributions to improve our parks and their amenities. These community facilities have become evermore important to our residents during the pandemic and we propose that £49k is incorporated into capital budgets to improve Fairchild's Garden and Clissold Park splash pool.
- 1.5 Finally, as outlined above this month's report seeks approval for entering into a 10 year lease agreement with Hackney Chinese Community Services Association Ltd at 12-14 Englefield Rd. It will bring the building back into active use and as set out below the proposal builds upon the long-standing history and legacy of this property being used to serve East and Southeast Asian communities - having previously been home to the An-Viet Foundation which was for many years a vibrant and much loved for the Vietnamese community. It also unlocks £453k of Greater London Authority investment into the borough and the centre with a core vision being to serve all East and Southeast Asian communities and other local residents too. It will offer a range of services including; training, education, employment, advocacy and advice,

health and wellbeing activities and a lunch club. There will also be space for meetings, events, arts and cultural activities and it will house a community cafe, as well as an outdoor space for summer events, food growing and horticulture. The centre will support local businesses through office and hot desking space for hire and be equipped with high-speed broadband.

1.6 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 17 of this report .

2.2 This report also seeks approval to enter into an agreement to grant Hackney Chinese Community Services Association Ltd (HCCS) a lease of 10 years on the property at 12-14 Englefield Rd. HCCS has secured a total of £453k from the Greater London Authority (GLA) for the property which will be used for tenant works and fit-out prior to occupation. As a condition of the grant agreement with the GLA, HCCS are required to have secured a 10 year lease for the property. HCCS will establish a new East and Southeast Asian Centre (ESAC) at 12-14 Englefield Rd. The ESAC will provide valuable facilities and services for East and Southeast Asian communities as well as other residents in Hackney.

2.3 12-14 Englefield Rd is a property held in the Council's Voluntary and Community Sector (VCS) Property Portfolio. It was occupied for over 30 years by the An-Viet Foundation until 2018, since then it has been empty. The An-Viet Foundation was dissolved in 2018. Prior to the dissolution of the An-Viet Foundation (AVF) in 2017, AVF and HCCS jointly approached the Council with a proposal to establish an East and Southeast Asian Community Centre (ESAC) at the premises. Following the dissolution of AVF in 2018 this dialogue has been with HCCS who, at that time, recruited Vietnamese community representatives onto their Board of Trustees. The ESAC proposals build upon the long-standing history and legacy of the property being used to serve East and Southeast Asian communities.

2.4 The business plan for the ESAC is detailed and has been developed over a number of years by HCCS and their partners. The core vision for the centre is that it will serve all East and Southeast Asian communities and other local residents too. The governance, operations and partnerships along with branding, publicity and marketing will reflect this inclusive approach. These aims and objectives will be set out in a management and community agreement agreed with the Council and appended to a lease agreement. The ESAC will provide valuable facilities and services for East and Southeast Asian communities and other local residents. It will offer a range of services including; training, education, employment, advocacy and advice, health and wellbeing activities and a lunch club. A large multi-functional hall will provide space for meetings, events, arts and cultural activities. The Centre will house

a community cafe, as well as an outdoor space for summer events, food growing and horticulture. The ESAC will support entrepreneurship and there will be office and hot desking space for hire and the building will be equipped with high-speed broadband.

2.5 The ESAC aligns with local strategies and objectives including the Community Strategy 2020-28 and the VCS Strategy 2019. The project recognises the importance of providing a space and services for a population that has been marginalised and faced discrimination, factors which may now have increased as East and South East Asian community have suffered significantly throughout the pandemic in relation to hate crime and discrimination. The GLA is very supportive of this project and views it as a high profile project that has the potential to deliver significant community benefits in Hackney and in surrounding areas of London. This support is reflected by the GLA's decision to invest in the project.

2.6 The building is in a very poor state of repair and requires Council works to put the premises into good repair prior to letting. The Council has developed a schedule of works and allocated a budget of £950k and these works will proceed in early 2022. The schedule of works has been informed by the plans for the ESAC. Following the Council works, subject to a lease being agreed between the Council and HCCS, the proposed tenant (HCCS) will undertake a programme of works and fit out to prepare the building for opening and the launch of the ESAC. The total GLA investment agreed is £453k which will be used for tenant works and the fit-out. Along with the strength of ESAC proposals for the site, the GLA also considered the level of proposed investment by the Council, and the fact that the Council's capital project is at an advanced stage, as important factors in their investment decision. The GLA grant funding is conditional on the Council's investment 'match-funding' their grant funding.

### 3. RECOMMENDATION(S)

3.1 That the scheme for Neighbourhood and Housing (Non) as set out in section 17.2 be given approval as follows:

**Transport for London (TfL) Funded Local Implementation Plan (LIP) - Corridors, Quietways Cycle Route, Central London Grid, Streetspace and Local Transport Fund: Resource and spend approval of £3,857k in 2021/22** is requested to enable Council Officers to implement and facilitate the delivery of the TfL funded schemes to implement measures to reduce road traffic accidents and fund projects to encourage sustainable transport within the borough.

3.2 That the S106 capital scheme summarised below and set out in section 11.3 be approved:

S106	2021/22 £'000	2022/23 £'000	Total
Capital	1	48	49

<b>Total S106 Resource &amp; Spend for Approval</b>	<b>1</b>	<b>48</b>	<b>49</b>
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**3.3 That the S106 capital summarised below and set out in section 11.4 be noted.**

<b>S106</b>	<b>2021/22 £'000</b>	<b>2022/23 £'000</b>	<b>Total</b>
Capital	57	61	118
<b>Total S106 Resource &amp; Spend for Approval</b>	<b>57</b>	<b>61</b>	<b>118</b>

**3.4 That the schemes outlined in section 11.5 be noted.**

**3.5 That the capital programme adjustments as set out in para 11.6 be approved.**

**3.6 To authorise entering into a lease with ('the proposed tenant') Hackney Chinese Community Services Association Ltd - a company limited by guarantee and a registered charity, for a term of 10 years for the Property at 12-14 Englefield Rd, London, N1 4LS ('the Property') as is shown edged red on the plan attached at Appendix 1.**

**3.7 To agree that the parties should enter a binding Agreement that prior to the grant of the lease the proposed tenant should:**

- Submit final construction plans to the Council as landlord for approval prior to commencement of works;
- Obtain all necessary planning and building consents as required for the works;
- Provide written confirmation from funders that all finance for the tenant works is available to proceed to a start on site;
- Submit relevant documents certifying the practical completion of construction works within 2 months of completion;
- Submit a viable business plan for the operation of the East and Southeast Asian Centre which includes provision for proper maintenance of the premises;
- Conclude a Community and Management Agreement with the Council that sets out the vision, services and approach to governance and operations of the East and Southeast Asian Centre.

**3.8 To authorise the Director of Strategic Property Services to make reasonable adjustments to the timing requirements of the above conditions if the proposed tenant is unable to meet the deadlines because of circumstances outside of its control.**

- 3.9 To authorise the Corporate Director of Legal and Democratic Services and the Director of Strategic Property Services to agree the Heads of Terms of such an agreement on the basis of these conditions and to incorporate a covenant that a lease will be granted upon the full performance of these conditions.**
- 3.10 To delegate authority to the Group Director of Finance and Corporate Resources to enter into a lease of 10 years, and to agree all other terms of the lease provided that the requirements of S123 Local Government Act 1972 are met.**

#### **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 and to approve the property proposal 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. BACKGROUND**

##### **5.1. 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.

##### **5.2 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.

##### **5.3 Sustainability**

As above.

##### **5.4 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.

##### **5.5 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.

## 6. DETAILS OF ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

6.1 The historic use of the site at 12-14 Englefield Rd has a long association with serving East and Southeast Asian communities, were key factors in the decision to proceed with developing the ESAC project in conjunction with HCCS. It would be possible to offer them a shorter lease for the property but this option was rejected because it would jeopardise the external investment of £453k from the GLA. Various other options for the property have been considered including disposal, redevelopment, commercial letting, or other VCS uses. All of these options present significant challenges. In brief, selling or redeveloping the site would be difficult because of the planning requirement to replace the lost community space and also because there would almost certainly be considerable local opposition. Letting the property for a more commercial use would be difficult for similar reasons.

## 7. COMMENTS OF THE GROUP DIRECTOR OF FINANCE AND CORPORATE RESOURCES

7.1 The gross approved Capital Spending Programme for 2021/22 currently totals **£171.750m (£69.084m non-housing and £102.666m housing)**. 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 **£175.701m (£73.047m non-housing and £102.654m housing)**.

Current Directorate	Revised Budget Position	Jan 2022 Cabinet	Capital Adjustments	Updated Budget Position
	£'000	£'000	£'000	£'000
Chief Executive's (Non-Housing)	2,320	0	0	2,320
Adults, Health & Integration	0	0	0	0
Children & Education	15,230	0	0	15,230
Finance & Corporate Resources	22,535	47	0	22,582
Neighbourhood & Housing (Non)	28,999	3,916	0	32,914

<b>Total Non-Housing</b>	<b>69,084</b>	<b>3,963</b>	<b>0</b>	<b>73,047</b>
Housing	102,666	0	(12)	102,654
<b>Total</b>	<b>171,750</b>	<b>3,963</b>	<b>(12)</b>	<b>175,701</b>

7.4 The current, agreed, capital programme has an amount of £950,112 earmarked for the works to 12-14 Englefield Road split across the 2021/22 & 2022/23 financial years, which sits in line with the proposed schedule of works that has been developed.

7.5 Subsequent to Hackney's expenditure on landlord works, the tenants will, via a GLA grant, spend £453k on the fit out of this building, which will be occupied on LB Hackney's standard VCS rental terms for a period of 10 years, generating an annual rental income of £24,468 per annum, subject to periodic rent reviews and any potential rent-free periods as negotiated between the tenant and Council.

7.6 The option to sell the property has been considered, however it is felt that a greater community benefit would be realised by the granting of a lease, which would see building ownership retained by and leaseholder rights returned to LBH at the end of the lease, allowing the option of disposal to be revisited at that point. The property would also require the same level of landlord works to be saleable, as it is a state of disrepair, meaning that the same level of expenditure would be required.

## **8. COMMENTS OF THE DIRECTOR OF LEGAL**

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 3.2 and paragraph 11.3 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, S106 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.
- 8.7 With regard to recommendation 3.6, where Cabinet is being invited to approve entering into a lease agreement and enabling the disposal of a leasehold interest for a term of up to 10 years. Section 123(2) and (7) of the Local Government Act 1972 ("LGA") provides that the Council cannot dispose of land for a term of years in excess of 7 years where that disposal is for consideration at less than best value that can reasonably be obtained on the open market without the consent of the Secretary of State. In the event that the undervalue will be less than £2 million and the disposal will yield an economic, social or environmental benefit for the area then the disposal will fall within the parameters of the LGA General Disposal Consent (England) 2003 (available to local authorities) and disposal can proceed. Given that the land forms part of the Council's HRA Estate consideration must also be given to a further general consent provided by the Secretary of State for the disposal of land held for purposes pursuant to ss32(2), 33(2) and 34 of the Housing Act 1985. The consent defines land as vacant where:
- (i) No dwelling houses have been built or
  - (ii) Where dwelling houses have been built, such dwelling houses have been demolished or are no longer capable of human habitation and are due to be demolished.

- 8.8 The general consent confirms that a local authority may dispose of vacant land. The recommendation to grant a long term lease of this property is further supported by s2 of the Localism Act 2002 which grants every local authority the power to do anything which they consider is likely to achieve economic well being of the area. In this case ensuring investment in the asset which will benefit the local community meets the criteria of the 2002 Act. The resultant lease will be drafted to contain all covenants required to protect the Council's interest and there is evidence to illustrate that the agreement meets the best value threshold, there is no legal impediment to the grant of the lease for the required term.

## **9. COMMENTS OF THE DIRECTOR OF STRATEGIC PROPERTY SERVICES**

- 9.1 Where the Council enters into a lease of more than 7 years this constitutes a disposal for the purpose of s.123 of the Local Government Act 1972 and the Council is required to demonstrate that it has achieved best consideration. The Council is accepting a land payment which is less than best consideration. Local authorities are able under the General Disposal Consent 2003 to sell at less than best consideration where the local authority considers that the purpose for which the land is to be disposed is likely to contribute to the economic, social or environmental wellbeing of the area and provided that the undervalue is less than £2 million. In the opinion of our registered valuers, the undervalue is less than £2m as set out in the valuation report. The valuation report has been reviewed by the Director of Legal Services and is considered to be generally compliant with statutory requirements. Therefore the council is permitted to dispose of this land at an undervalue despite the bar under s123 of the Local Government Act 1972.
- 9.2 Following landlord works to the premises, HCCS' will invest £453k of GLA grant funding in tenant works. These works will add value to the premises by creating a series of community facilities including purpose built classrooms for education and training, a large open-plan community space for activities, flexible workspace and office space. In addition HCCS fit out a modern commercial grade kitchen for training, luncheon clubs and a community cafe. As outlined above the ESAC will deliver services which contribute significant social, economic and community benefits to the local area. It will serve some of the most vulnerable or marginalised members of the community. The grant of a longer term lease will enable them to enhance and improve these services. This has also informed the recommendations contained within this report and forms part of the consideration of the best use for this site.
- 9.3 The recommendations in this proposal are aligned with the boroughs' Community Strategy and with the Council's VCS Strategy 2019-22. The VCS Strategy notes that Hackney's Community Strategy emphasises 'the importance of building community resilience and opportunities for residents to come together, meet their neighbours and lead active and independent lives'. There is recognition in the strategy that accessible community spaces can help promote this – for example, by encouraging health and well being, promoting cultural awareness and activities and providing services such as advice, training and education. By allowing for a longer lease to be granted,

subject to the conditions set out above being met, the Council will bring a valuable community asset back into active use and help establish a comprehensive range of services to be delivered to a marginalised section of the community.

## **10. VAT IMPLICATIONS ON LAND & PROPERTY TRANSACTIONS**

10.1 As there will be a rent charged after any rent free period and 'no option to tax' is in place the lease will be exempt from VAT and all of the VAT on costs attributable to the lease will need to be included in the Council's partial exemption calculation, including the £950k of works. No apportionment could be made for the rent free period to reduce the amount of VAT included. If the Council decides to 'opt to tax' the Council would only need to raise a VAT only invoice to the Voluntary and Community Sector tenants for the rent free period if the tenant was undertaking works for the Council in return for getting the rent free period. If the tenant makes no supply to the Council to get the rent free period then no VAT would be due on the rent foregone.

## **11. CAPITAL PROGRAMME 2021/22 AND FUTURE YEARS**

11.1 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.

### **11.2 Neighbourhood and Housing (Non):**

11.2.1 **Transport for London (TfL) Funded Local Implementation Plan (LIP) - Corridors, Quietways cycle Route, Central London Grid, Streetspace and Local Transport Fund: Resource and spend approval of £3,857k in 2021/22** is requested to enable Council Officers to implement and facilitate the delivery of the TfL funded schemes to implement measures to reduce road traffic accidents and fund projects to encourage sustainable transport within the borough. In 2020, Transport for London (TfL) established a London Streetscape Plan in response to the coronavirus pandemic. In addition to this, The Council's Cabinet approved Hackney's Emergency Transport Plan which recognises that the pandemic has changed the way we all get around. People are walking and cycling more, spending more time in their local area and drastically reducing the amount they travel by public transport. TfL awarded Hackney Local Implementation Plan funding to deliver a range of measures to reallocate road space to enable more walking and cycling and to support social distancing on public transport as part of their London Streetspace Plan measures. This external grant funding will be used as set out below:

- To fund staffing costs to deliver these projects.
- To install modal filters which is a feature used to limit through-journeys along a street by certain modes of transport. Modal filters are used to achieve filtered permeability and are part of the toolbox of low traffic neighbourhoods which include closing roads to motor traffic by using planters or large barriers, to create low traffic neighbourhoods at various locations within the Borough

- To continue the implementation of 40 school streets in the borough.
- To implement bus gate and associated closures on Stoke Newington Church Street.
- To develop a number of cycling measures including a segregated cycle route through Millfields Park and further sections of Balls Pond Road, Queensbridge Road and Green Lanes.

This is consistent with the DfT requirements and the Council's Transport Strategy and Emergency Transport Plan to encourage sustainable transport such as cycle parking, cycle training, behaviour change programmes, traffic management measures to increase cycle permeability and care club expansion. This capital project supports Priority 3 in the Hackney's Sustainable Community Strategy 2018-2028 'A greener and environmentally sustainable community which is prepared for the future', Priority 4 'An open, cohesive, safer and supportive community', and Priority 5 'A borough with healthy, active and independent residents'. This approval will have no net impact on the capital programme as this resource is funded by grant.

### 11.3 S106 Capital Approvals

11.3.1 Capital Resource and Spend approval is requested for **£49k (£1k in 2021/22 and £48k in 2022/23)** of S106 capital funding to be financed by S106 contributions. The works to be carried out are in accordance with the terms of the appropriate S106 agreements.

Planning Site No.	Project Description	Agreement Development Site	2021/22 £'000	2022/23 £'000	Total
2012/3259	Fairchild's Garden Improvement Project	145 City road London EC1-37 East Road N1 6AZ	0	24	24
2006/0721 & 2009/0033		Sheep Lane 4 - 6 E8	0	8	8
2004/1880 & 2014/1880		35- 41 Westland Place Shoreditch London N1 7LP	0	12	12
2012/0506		61 Great Eastern Street, 5 Ravey Street 93 Leonard St	0	2	2
2011/3021		62 Paul Street, London EC2A 4NA	0	3	3
2013/0298	Clissold Park Splash Pool	2 Salcombe Road, London N16 BAX	1	0	1
<b>Total S106 Capital for Approval</b>			<b>1</b>	<b>48</b>	<b>49</b>

This contribution will be used to cover refurbishments of the current disused park into a welcoming and flexible space. The proposals include new landscaping, paths, seating, fencing, timber decking and a kiosk in the northern part of the site that will provide children's play equipment, food and drink and contain a toilet. There will also be a new table tennis table. The paddling pool in Clissold Park has come to the end of its useful life, with the structure failing and regularly needing extensive repairs. This contribution will help construct a new children's splash pad on the site of the former bowling green. This will provide families with new water play facilities.

#### 11.4 S106 Capital For Noting

11.4.1 The s106/CIL board meeting dated 20 December 2020 considered the following bids for resource and spend approval. As a result **£118k (£57k in 2021/22 and £61k in 2022/23)** 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	2022/23 £'000	Total
2012/3259	Legible London Signing	145 City road London EC1-37 East Road N1 6AZ	17	0	17
2013/0457		Holy Trinity Primary School Beechwood E8 3DY	15	0	15
2013/2042 & 2015/2577		51 -57 Kingsland High Street London E8 2JS	15	0	15
2012/3871		Land @ Curtain Road, Hewett Street, Great Eastern	10	17	27
2015/0877		5-29 Sun street, 1-17 Crown Place, 8-16 Earl St. London EC2M 2PS	0	28	28
2015/2199		Satellite House, 17 Corsham Street, London N1 6DR	0	16	16
<b>Total S106 Capital for Noting</b>			<b>57</b>	<b>61</b>	<b>118</b>

This contribution will be used to cover the Legible London signs to be erected in the Borough. As most of the contributions come from developments in Shoreditch and Dalston it will be spent to improve the signage in the vicinity in these areas including upgrades and repairs. The opportunity will also be taken to erect public transport Totem signs outside Hoxton and Hackney Central stations to show local attractions and venues as well as enhance connectivity.

#### 11.5 For Noting

11.5.1 The delegated powers reports dated 1 April 2021 gave resource and spend approval to enter into a grant funding agreement with BEIS (Department for Business, Energy and Industrial Strategy) to enable Council officers to proceed with the delivery of the enable **feasibility study into linking the existing Shoreditch Heat Network and planned Colville Estate Network** to

decarbonise a large number of Council owned estates (over 3000 homes) in the surrounding area as well as businesses, leisure centres and hospitals. The project will improve air quality in the borough through electrification of heat and reduce carbon emissions by up to 60% in year 10 of this heat network compared to gas boilers, saving up to 105,475t/CO2. As a result, **£47k in 2021/22** was approved to spend on this capital project. This is in addition to the £23k from the Council's Carbon Offset fund approved by the Cabinet in November 2021. District heating networks have a key role to play in support of the UK's target to reduce its greenhouse gas emissions to net zero by 2050 from 1990 levels. Hackney Council has gone beyond the UK target with its Climate Emergency declaration, committing to net zero by 2040. The Council aims to deliver strategic heat network infrastructure in the Borough as part of its overall objectives to reduce carbon emissions, help to lower energy costs and promote energy security. The Masterplan study was completed in 2020 and the document explored potential of district heat networks in Hackney, identifying the key opportunity areas for district heating and developing a longer-term vision to support Hackney's growth and low carbon transition using decentralised energy. It provided an evidence base for the development of district heating network schemes in Hackney, informing both policy and delivery. This capital project supports the Council's 2018-2028 Sustainable Community Strategy Priority 3 'A greener and environmentally sustainable community which is prepared for the future'. This approval will have no net impact on the capital programme as it will be funded by grant.

## 11.6 Capital Adjustments from 2021/22

11.6.1 Capital Programme adjustments are requested in order to adjust and reappportion the 2021/22 approved budgets to better reflect project delivery of the anticipated programme set out below.

Summary of Capital Adjustments	Revised Budget 2021/22	To Change	Updated Budget 2021/22
	£	£	£
<b>Children &amp; Education</b>			
Colvestone AMP	308,496	357	308,853
Randal Cremer AMP	0	40,000	40,000
Education Asbestos Removal	100,000	14,020	114,020
Shoreditch Park AMP	458,170	581	458,751
AMP Contingency	491,592	(55,240)	436,352
Queensbridge ARP	600	1,339	1,939
The Garden School SEN	2,727,177	(1,339)	2,725,838
Clapton Portico	8,000	282	8,282
<b>Housing</b>			

Estate Lighting	70,000	(50,000)	20,000
Road & Footpath Renewals	119,094	50,000	169,094
Lift Renewals	500,000	(340,000)	160,000
Boiler Hse Major Works	600,000	200,000	800,000
Bridport	1,675,198	140,000	1,815,198
Sheep Lane s106	26,581	(11,994)	14,587
<b>Total</b>	7,084,908	(11,994)	7,072,914

## APPENDICES

Appendix 1 - Site Plan 12-14 Englefield Road.

## 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.

<b>Report Author</b>	Samantha Lewis, Senior Accountant Tel: 020 8356 2612 <a href="mailto:samantha.lewis@hackney.gov.uk">samantha.lewis@hackney.gov.uk</a>
<b>Comments for Group Director of Finance and Resources</b>	Jackie Moylan, Director, Financial Management Tel: 020 8356 3032 <a href="mailto:jackie.moylan@hackney.gov.uk">jackie.moylan@hackney.gov.uk</a>
<b>Comments for the Director of Legal and Governance Services</b>	Dawn Carter-McDonald, Director of Legal and Governance Services Tel: 020 8356 4817 <a href="mailto:dawn.carter-mcdonald@hackney.gov.uk">dawn.carter-mcdonald@hackney.gov.uk</a>