

Appropriation of Regeneration Sites to Housing Purposes**Key Decision No - NHR74****CABINET MEETING DATE
(2021/22)**

13 September 2021

CLASSIFICATION:

Open

If exempt, the reason will be listed in the main body of this report.**WARD(S) AFFECTED**

Brownswood, Victoria, Hackney Central, Hackney Downs, Hoxton East & Shoreditch, Homerton, Kings Park

CABINET MEMBER

Deputy Mayor Guy Nicholson

KEY DECISION

Yes

REASON

Affects two or more wards

GROUP DIRECTOR**Ian Williams, Acting Group Director, Chief Executive's Directorate**

1. CABINET MEMBER'S INTRODUCTION

- 1.1. Hackney is facing an unprecedented housing crisis, with more than 13,000 families waiting for a council home and over 3,000 of these households living in unsuitable temporary accommodation. The Council is committed to providing new homes, and its cross-subsidy, direct-delivery approach has targeted construction of almost 2,000 new homes between 2018 and 2022. More than half of the new homes will be genuinely affordable – whether social rent, shared ownership/equity or new living rent homes – and will be paid for by building and selling some homes at market rates.
- 1.2. The Council's Estate Regeneration Programme and Housing Supply Programme were approved by the Cabinet in 2011 and 2016 respectively. The Programmes will be delivered directly by the Council to provide much needed, high quality new homes aimed at people living and working in Hackney, as well as extensive public realm improvements and a range of non-residential facilities.
- 1.3. The Estate Regeneration Programme will deliver nearly 3,000 new and improved homes across 18 locations, including 195 refurbished properties. The Housing Supply Programme will deliver over 700 new build homes on previously developed council land, for example garage blocks. Importantly, no green space or play space will be lost, and where necessary, allocated parking spaces in use will be re-provided.
- 1.4. The construction of these new homes has been facilitated by cabinet's previous decisions to appropriate land for planning purposes. Upon completion of the new homes, the land is no longer required to be held for planning purposes, and this report seeks Cabinet approval to appropriate the land for housing purposes.

2. GROUP DIRECTOR'S INTRODUCTION

- 2.1. The Estate Regeneration and Housing Supply Programmes are based upon the delivery of mixed tenure developments. It is intended that the programmes are self-funding.
- 2.2. Once land is appropriated for planning purposes and development has been completed, it is recommended that it be appropriated as housing land and transferred back to the Housing Revenue Account as this will be its ultimate usage.
- 2.3. This report seeks Cabinet approval to appropriate for housing purposes the land outlined in red on the plans at Appendix 1, as upon completion of the developments they are no longer required for planning purposes.

3. RECOMMENDATION(S)

Cabinet is recommended to:

- 3.1. Agree the land shown edged red on the plans at Appendix 1 upon practical completion of the developments will no longer be required for planning purposes and approve the appropriation of the land to housing purposes to be transferred to and administered from the Housing Revenue Account in accordance with section 9 of the Housing Act 1985 and section 122(1) of the Local Government Act 1972.**
- 3.2. Authorise the Group Director, Chief Executive's Directorate and the Director of Legal to deal with all necessary arrangements to effect the appropriation set out in this report.**

4. REASONS FOR DECISION

- 4.1. Appropriation of land for planning purposes under section 203 of the Housing and Planning Act 2016 provides the Council with a mechanism for helping minimise the delay or uncertainty associated with regeneration projects by ensuring that the proposed developments cannot be held up by injunctions in support of third party rights.
- 4.2. In order to de-risk development schemes within the Estate Regeneration and Housing Supply Programmes, Cabinet has previously granted approval to appropriate land at regeneration sites for planning purposes. A list of these sites for which records are available at the current time is set out below, and the associated Cabinet reports are referenced at Appendix 2:
 - Kings Crescent Phase 1 and 2, N4
 - King Edwards Road, E9
 - Great Eastern Buildings, E8
 - Colville Phase 2C, N1
 - Frampton Arms, E9
 - Lyttelton House, E9
 - Nightingale Estate, E5
 - Mandeville Street, E5
 - Pedro Street, E5
 - Daubeney Road, E5
 - Kings Crescent Phase 3 and 4, N4
- 4.3. Upon practical completion of the developments, the land listed in paragraph 4.2 and outlined in red on the plans at Appendix 1 is no longer required for planning purposes. It is recommended that the land shown at Appendix 1 is appropriated as housing land and transferred back to the Housing Revenue Account once each development is completed.

- 4.4. Subsequent to the transfer of land back to the HRA, the Council will lose the benefits of the appropriation for planning purposes. The Council will not, however, lose the protection over whatever was built while the land was appropriated for planning purposes, and as such the newly built developments would not be subject to an injunction (i.e. third parties whose rights have been injured as a result of the development will not be able to halt the development).

5. DETAILS OF ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

- 5.1. Development of the regeneration sites shown at Appendix 1, that have been previously appropriated for planning purposes, is either completed or intended to be completed, and it is accepted that upon completion of the developments the land needs to be appropriated for housing purposes, as this is the intended use.
- 5.2. A 'do nothing' approach has been considered and rejected, as holding the land for planning purposes will not be consistent with the ultimate usage of the land.

6. BACKGROUND

6.1. Policy Context

- 6.1.1. The Council's Sustainable Community Strategy 2018-2028 has five priorities, and the regeneration schemes at the sites listed in paragraph 4.2 and outlined at Appendix 1 assist in meeting those priorities.
- 6.1.2. Cabinet has previously considered and approved the appropriation of these sites for planning purposes, an administrative process that enables construction of approved development schemes to proceed with confidence. On completion, these regeneration schemes will be creating or enhancing places in the borough where residents can enjoy a good quality of life and where the community can benefit from growth.

6.2. Equality Impact Assessment

- 6.2.1. The appropriation of the Council's land identified at Appendix 1 for housing purposes will not have a disproportionate or adverse impact on those with protected characteristics under the Equalities Act.
- 6.2.2. The completed development schemes support the Council's commitment to building new homes that meet the needs of existing and future residents, many of whom will be amongst the borough's most vulnerable residents. A proportion of the homes will be built to wheelchair accessible and adaptable standards in accordance with the Council's Local Plan 33.

6.3. Sustainability

- 6.3.1. In accordance with the Council's Sustainable Community Strategy 2018-2028 the regeneration schemes will benefit the social well-being of the borough by providing affordable homes in perpetuity. The schemes will also create mixed, sustainable communities providing homes for a range of household sizes. Families and those living independently will be accommodated, promoting community cohesion.
- 6.3.2. The construction of the new homes has met the Council's Local Plan requirements to use sustainable methods of construction including reduction of waste, noise to the local area and reducing carbon emissions. New homes are also low carbon in terms of running costs, with environmental and economic benefits by reducing bills for residents. The developments have provided new amenities such as improved public realm, car sharing and electric vehicle charging points. The development schemes will support residents in the area to become more environmentally aware of their choices and will encourage them to live sustainably.

6.4. Consultations

- 6.4.1. Extensive resident and stakeholder engagement has been undertaken throughout the design development stages for each regeneration scheme, including public drop-in exhibitions, meetings and newsletters. Further to this, the Council's planning service has carried out statutory public consultation during the planning application assessment stage, which provided members of the public with an opportunity to have their say on development proposals.

6.5. Risk Assessment

- 6.5.1. Cabinet's decision to appropriate land for planning purposes has addressed the risk of the Council being unable to deliver new homes in a timely and cost effective manner. The main residual risk relates to the amount of consideration or compensation that may become payable to third parties whose rights are infringed in order to deliver the development schemes. This risk has been managed respectively for each regeneration scheme, and the decision to appropriate the land for housing purposes upon completion of the developments is low risk.

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

- 7.1 There are no direct financial implications arising from the report's recommendations. While the land has been appropriated to the General Fund during the development, the development of the properties has been accounted for in the HRA.

8. VAT Implications on Land & Property Transactions

- 8.1 There are no VAT implications arising from the recommendation in this report.

9. COMMENTS OF THE DIRECTOR, LEGAL & GOVERNANCE SERVICES

- 9.1 Appropriations of land are an executive function under the Local Government Act 2000 and related Regulations. The decision to appropriate land is to be taken by Cabinet as per the Mayoral scheme of delegation and as further provided for by Rule 15.13 of London Borough of Hackney's Financial Procedure Rules, which further requires that the land has been declared surplus to its current use by the relevant Group Director.
- 9.2 Before the land can be appropriated under section 122, the land must no longer be required for the purpose for which it was held immediately prior to appropriation. It is for the Council to determine whether the land is no longer required for the purposes for which it is held. The report at paragraph 1.4 and 5.1 confirms the land is no longer required for planning purposes.

APPENDICES

Appendix 1 - Red line boundary plans of regeneration sites

Appendix 2 - List of regeneration sites and associated Cabinet decisions

EXEMPT

N/A

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

Report Author	Simone Williams - Tel : 0208 356 8702 Programme Manager: Divisional Programme Office, Regeneration simone.williams@hackney.gov.uk
Comments for and on behalf of the Group	Simon Theobald - Tel : 0208 356 4304 Head of Finance, Neighbourhoods & Housing simon.theobald@hackney.gov.uk

Director of Finance and Resources	
Comments for and on behalf of the Interim Director of Legal & Governance	Georgia Lazari - Tel : 0208 356 1369 Team Leader (Places) Georgia.Lazari@Hackney.gov.uk