



Title of Report	Capital Update and Property Disposals and Acquisitions Report
Key Decision No	FCR S095
For Consideration By	Cabinet
Meeting Date	23 January 2023
Cabinet Member	Philip Glanville, Mayor of Hackney
Classification	Open
Ward(s) Affected	All
Key Decision & Reason	Yes Spending or Savings
Implementation Date if Not Called In	30 January 2023
Group Director	Ian Williams, Finance and Corporate Resources

1. CABINET MEMBER'S INTRODUCTION

- 1.1 This report updates members on the capital programme agreed in the 2022/23 budget.
- 1.2 Through the proposals in this report we demonstrate our commitment to meeting our manifesto pledges as well as continuing to deliver against the Council's new Strategic Plan which was adopted in November.
- 1.3 For the first report in this new calendar year I am pleased to bring forward £1.175m of investment to fund the implementation of 17 new school streets, an increase on the current 48, which is already a record in the UK. This investment delivers against all three priorities of the Strategic Plan, for a Fairer, Safer; Greener Healthier Hackney and also Every Child In Hackney. This initiative helps to tackle congestion, improve air quality at the school gates, and create a safer environment for pupils to walk and cycle to school. Further to our green agenda we propose spending £9k of S106 monies to fund a joint research piece on the true cost of 'Carbon offsetting' commissioned by 18 London Local Authorities.
- 1.4 On a similar theme approval is sought for £1.058m in 2022/23 to fund the first year of the three year Local Implementation Plan (LIP) programme also on the agenda for this evening. Hackney's Local Implementation Plan very much builds on our own Hackney Transport Strategy which was adopted in 2015. The LIP funding will support the delivery of schemes to improve air quality, reduce road casualties, deliver projects to discourage the use of private cars and encourage more use of sustainable transport. This demonstrates the Council's ambitious target for sustainable transport (walking, cycling and public transport) that 91% of journeys would be by these modes of transport by 2041.
- 1.5 Seeking to connect our green spaces, approval of £100k is requested to deliver a new entrance into St Thomas Long Burial Ground from Well Street, making it easier for people to access the Green Space and move through it. We are also looking to protect and maintain our assets to a good standard and propose a total of £380k of investment to install a new CCTV system and undertake other vital works at Millfield Depot.
- 1.6 Finally, this report sets out a pragmatic approach to extending and amending two residential leases where leaseholders have carried out works without prior landlord's approval and where, in both cases, leaseholders have taken occupation of attic space, not included within that land demised in the original leases.
- 1.7 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 approval as required to enable officers to proceed with the delivery of those schemes as set out in section 3 of this report.

2.2 **Proposed Disposal of 5B Sharon Gardens E9 7RX and 76 Fletching E5 9QR:** The Housing Leasehold Services attention has been drawn to two residential leases where leaseholders have carried out works without prior landlord's approval and where, in both cases, leaseholders have taken occupation of attic space, not included within that land demised in the original leases. In both instances, the Council wishes to take appropriate action to regularise the situation for the Council and the residents concerned, and to achieve best consideration for the land taken as, set out:

- **5B Sharon Gardens E9 7RX:** The terms have been agreed for the simultaneous surrender of the existing lease and grant of a new lease incorporating the loft space, for the sum of £24,200 plus the Council's surveying and legal costs. The component costs for the leaseholder are: purchase price of loft space @ £21,000; premium for extension of lease by 90 years to 17/12/2235 @ £3,200; and the Council's reasonable surveying & legal costs, estimated @ £1,750.
- **76 Fletching Road E5 9QR:** The terms have been agreed for the simultaneous surrender of the existing lease and grant of a new lease incorporating the loft space, for the sum of £20,678 plus the Council's surveying and legal costs. The component costs for the leaseholder are: purchase price of the loft Space @ £12,500, premium for Extension of lease by 90 years to 19/12/2198 @ £8,178 and the Council's reasonable surveying and legal costs @ £1,750.

3. RECOMMENDATION(S)

3.1 **That the scheme for Climate, Homes & Economy as set out in section 11 be given approval as follows:**

Millfields Depot CCTV Cameras, Shutters and Emergency Generator: Spend approval of **£246k in 2023/24** and resource and spend approval of **£134k in 2023/24** is requested to upgrade and install a new CCTV system and six ANPR cameras; six new waste transfer station shutters; and install a new emergency generator.

Local Implementation Plan (LIP) TfL funded Scheme: Resource and spend approval of **£1,058k in 2022/23** is requested to fund the first year of the three year Local Implementation Plan (LIP) programme to be considered for approval under a separate item at this Cabinet meeting.

School Streets: Resource and spend approval of **£1,105k (£360k in 2023/24, £430k in 2024/25 and £315k in 2025/26)** is requested to fund the implementation of 17 school streets scheme.

Connecting Green Spaces - St Thomas Long Burial Ground: Spend approval of **£100k in 2022/23** is requested to deliver a new entrance into St Thomas Long Burial Ground from Well Street, making it easier for people to access the Green Space and move through it.

3.2 **That the s106 scheme summarised below and set out in section 12 be approved:**

S106	2022/23 £'000
Capital	9
Total Capital S106 for Approval	9

3.3 **That the s106 scheme summarised below and set out in section 12 be noted:**

S106	2022/23 £'000
Capital	65
Total Capital S106 for Noting	65

3.4 **That the capital programme adjustments as set out in section 13 and summaries below be approved:**

Current Directorate	Capital Adjustments 22/23
	£'000
Total Non-housing	(69)
Total Housing	0
Total	(69)

3.5 **To authorise the Group Director of Finance and Corporate Resources to agree the terms of the simultaneous surrender of the existing leases and grant of new leases incorporating the loft space for both 5B Sharon Gardens, E9 7RX and for 76 Fletching Road, E5 9QR shown for identification purposes only in the Appendices 1-4.**

3.5 **To authorise the Director of Legal, Democratic and Electoral Services to prepare, agree, settle and sign the legal documentation required to complete the transaction.**

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 proposals 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.
- 4.3 To facilitate financial management and control of the Council's finances.
- 4.4 **Proposed Disposal of 5B Sharon Gardens E9 7RX and 76 Fletching E5 9QR:** Although loft spaces have been sold on a small number of occasions previously, Hackney Housing and the Council are reluctant to agree to further sales, principally on the basis of potential risk to the integrity of the building during the construction phase, if the works are not carried out correctly. However, in both of the above cases, the conversion of the loft space was completed more than three years ago, therefore the best option is to formalise the situation by agreeing terms for the loft space to be included into the existing lease.
- 4.5 Considerations of £21,000 and £12,500 have been agreed respectively, subject to contract. The purchasers in both instances will meet the Council's legal & surveying costs. Both the properties have been valued by a Registered Valuer employed by the Council and the figures stated here have been determined to be the Market Value of the properties and the purchase prices subsequently agreed with the leaseholders
- 4.6 Additional premiums have been agreed for the separate lease extensions.
- 4.7 As with the existing leases, the Council will remain responsible for carrying out all external repairs and will include clauses relating to recovery of maintenance costs are to be included in the regrant of the leases.
- 4.8 The alterations to 5B Sharon Gardens had building control approval and were subsequently inspected by a Housing Leaseholds building surveyor. Planning permission was not required. We will simultaneously issue landlords consent and licence for works.
- 4.9 With regard to 76 Fletching Road, the works within the roof space were inspected only once by a building surveying technician. As with the above, no planning permission is required. It is proposed to insert a pre-requirement for the leaseholder to obtain building control approval, prior to grant of landlords consent or licence for works consent.

5. DETAILS OF ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

- 5.1 **Proposed Disposal of 5B Sharon Gardens E9 7RX and 76 Fletching E5 9QR:** In the event of the Council taking no action to regularise the situation promptly, the Leaseholders could gain adverse possession rights and the Councils would forego realisation of best consideration for the land taken.
- 5.2 Seeking the Leaseholders remedying the breach(s) of the leases, although provided for within the lease, may place an unnecessary financial burden upon the Leaseholders to rectify the position, without benefit to the Council as freeholder.

6. BACKGROUND

- 6.1.1 **Proposed Disposal of 5B Sharon Gardens E9 7RX:** The property is a pre-war period brick built house (1934) and situated at Sharon Gardens E9 7RX. It was built as a single family dwelling. The Council purchased the leasehold interest in 1960. The freehold was subsequently acquired in 1965 and the property converted from a single-family dwelling into two flats. In December 2000, the Council sold a 125 year leasehold interest in Flat 5B, on the first floor, under the Housing Act 1980 (Right to Buy). There are 105 years currently remaining on the lease. The leaseholder has a statutory right to an additional 90 year term on payment of a premium. The ground floor unit to date remains a secure Council tenancy. The loft space above the flat is not included in the lease, however the then leaseholder altered the loft area structurally and converted the attic space into additional residential space in about 2004. These alterations were carried out without the Council's consent as freeholders. The current leaseholder acquired his interest in the flat in 2014. One must assume that the purchaser was made aware of the unauthorised development by his legal advisers at the time of purchase. The leaseholder subsequently applied for leaseholder consent for the alterations retrospectively in 2018. Upon inspection of the property following this application, the extent of the alterations and encroachment into the reserved parts was noted. Hackney Housing's Leasehold Services Surveyor highlighted significant alterations to the roof structure and made note of deficits in fire compartmentation, increasing the risk of fire spread within the property as a whole. Building control consent was obtained by the leaseholder's predecessor, however this previous leaseholder having obtained building control approval, subsequently removed a compartment wall which enclosed the stairs. The current leaseholder/purchaser was advised that a condition of the consent for the works that will be issued upon completion of the sale will require that this wall is reinstated so bring the works back into compliance.
- 6.1.2 **Proposed Disposal of 76 Fletching Road E5 9QR:** The subject flat is a purpose built 2/3 bedroom upper floor maisonette acquired by the Council in 1920. The Council subsequently granted a 125 year leasehold interest in the property in 1983. The current leaseholder applied to extend their lease for a term of 90 years under the Leasehold Reform, Housing and

Urban Development Act 1993. The Ground floor flat remains in the Council's ownership and is occupied by a secure tenant. The loft space above the subject maisonette is not included in the leased demise, however upon inspection for valuation purposes, it was found to have been altered structurally, we understand by a previous leaseholder, without the consent of the freeholder. We assume that the purchaser was made aware of the unauthorised development by his legal advisers at the time of purchase.

6.2 **Policy Context**

The report to recommend the Council Budget and Council Tax for 2022/23 considered by Council on 28 February 2022 sets out the original Capital Plan for 2022/23. Subsequent update reports considered by Cabinet amend the Capital Plan for additional approved schemes and other variations as required.

6.3 **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.

6.4 **Sustainability and Climate Change**

As above.

6.5 **Consultations**

Connecting Green Spaces St Thomas: The Council's Consultation and Engagement team are drawing up a consultation plan to discuss the proposed design with local people. The Council's Streetscene team has been engaged to produce designs and oversee the implementation of the new entrance using the Council's Term Contractor. As a relatively simple intervention, it is hoped to be delivered by April 2023.

6.6 **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.

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

- 7.1 The gross approved Capital Spending Programme for 2022/23 currently totals **£167.808m (£72.339m non-housing and £95.469m 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 The recommendations in this report will result in a revised gross capital spending programme for 2022/23 of **£168.695m (£73.225m non-housing and £95.469m housing)**.

Current Directorate	Revised Budget Position	Jan 2023 Cabinet	Capital Adjustments 22/23	Updated Budget Position
	£'000	£'000	£'000	£'000
Chief Executive's	408	0	0	408
Adults, Health & Integration	0	0	0	0
Children & Education	16,388	0	(0)	16,388
Finance & Corporate Resources	30,173	0	0	30,173
Climate, Homes & Economy	25,371	886	0	26,257
Total Non-Housing	72,339	886	(0)	73,225
Housing	95,469	0	0	95,469
Total	167,808	886	0	168,695

- 7.4 **Proposed Disposal of 5B Sharon Gardens E9 7RX and 76 Fletching E5 9QR:** This report recommends the simultaneous surrender of the existing lease and grant of a new lease incorporating the loft space of the properties at 5B Sharon Gardens, E9 7RX and for 76 Fletching Road, E5 9QR.
- 7.5 The Council's Strategic Property Service have valued the additional space to the property at £21,000 and £12,500 respectively and the legal advice is that the Council should include the loft spaces in the regranted leases for both properties.

8. VAT IMPLICATIONS ON LAND AND PROPERTY TRANSACTIONS

- 8.3 **Proposed Disposal of 5B Sharon Gardens E9 7RX and 76 Fletching E5 9QR:** Our VAT consultants have advised that as the transactions relate to domestic properties, they may be considered exempt supplies by the Council and not subject to VAT. VAT on legal or surveyors fees, if applicable, will need to be included in the Council's partial exemption calculation.

9. COMMENTS OF THE DIRECTOR OF LEGAL, DEMOCRATIC AND

ELECTORAL SERVICES

- 9.1 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.
- 9.2 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.
- 9.3 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 Councils' decisions. The Cabinet has to take decisions in line with the Council's overall policies and budget.
- 9.4 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
- 9.5 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.
- 9.6 **S106:** With regard to 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.

- 9.7 **Proposed Disposal of 5B Sharon Gardens E9 7RX and 76 Fletching E5 9QR:** The approval of the disposal is pursuant to the Hackney Mayoral Scheme of Delegation of January 2017 and is reserved to the Mayor and Cabinet.
- 9.8 The Council has the freedom to dispose of land subject to S123 of the Local Government Act 1972 and Section 32 of the Housing Act 1985.
- 9.9 Under s123 of the Local Government Act 1972 the council can dispose of any land provided it is for best consideration that can be reasonably obtained. The Director for Strategic Property Services has confirmed the disposal is for best consideration, therefore S123 of the Local Government Act 1972 has been complied with.
- 9.10 Under S32 of the Housing Act 1985 the Council can dispose of housing land subject to Secretary of State consent. However as this proposal falls within the scope of those disposals allowed by The General Consent for the Disposal of Land held for the purposes of Part II of the Housing Act 1985 - 2013, S32 has been complied with.

10. COMMENTS OF THE DIRECTOR OF STRATEGIC PROPERTY SERVICES

- 10.1 **Proposed Disposal of 5B Sharon Gardens E9 7RX and 76 Fletching E5 9QR:** Both loft spaces were valued by a Chartered Surveyor working for the Council and terms have been agreed for the simultaneous surrender and regrant of leases incorporating the loft space to the lessees of both 5B Sharon Gardens and 76 Fletching Road at £21,000 and £12,500 respectively, subject to contract. The purchasers in both instances will meet the Council's legal & surveying costs. Additional premiums have been agreed for the separate lease extensions for a term of 90 years plus the residue of the original term. The council will insert a requirement for Building Control Compliance will be required.
- 10.2 I can confirm the sum agreed represents best consideration and complies in all respects with the provisions of s123 of the Local Government Act 1972.

11. CAPITAL PROGRAMME 2021/22 AND FUTURE YEARS

11.1 Climate, Homes and Economy:

- 11.1.1 **Millfields Depot CCTV Cameras, Shutters and Emergency Generator:** Spend approval of **£246k in 2023/24** and resource and spend approval of **£134k in 2023/24** is requested to upgrade and install a new CCTV system

and six ANPR cameras; along with six new waste transfer station shutters; and a new emergency generator. The project will impact an existing asset, which is currently used as an operational depot and waste transfer station: Hackney Disinfecting Station; Millfields Depot; and Millfields Waste Transfer Station which are all based on this site.

The generator replacement is used to maintain essential and statutory Council Services in the event of a major outage. The Council's Environmental Services vehicles are currently fueled by the pumps at Millfields Depot. In addition, some other Council vehicles are also fueled here, and options are being looked at by Fleet Management to further increase the numbers of vehicles that can be fueled. A better CCTV system will ensure better security and monitoring protection for the expensive vehicle, plant and equipment assets at the depot. A better system will allow for better recording of accidents or incidents that may occur at the depot. The six rolling shutter doors will be replaced at the Waste Transfer Station to meet the 'emergency braking' requirement if the motors were to fail. Then finally four doors on the transfer station and two on the workshops will also be replaced.

This capital expenditure will ensure the Waste Transfer Station and the depot are generally operated safely. This approval will benefit all sections of the community and will benefit from an improved streetscene. This capital spend supports the Council's Community Strategy 2018-2028 Priority 3 'A greener and environmentally sustainable community which is prepared for the future' and Priority 4 'An open, cohesive, safer and supportive community'. This approval will have no net impact on the capital programme as it will be funded by discretionary resources held by the authority.

11.1.2 Local Implementation Plan (LIP) TfL funded Scheme: Resource and spend approval of **£1,058k in 2022/23** is requested to fund the first year of the three year Local Implementation Plan (LIP) programme to be approved under a separate item at this Cabinet meeting. Hackney's Local Implementation Plan very much builds on our own Hackney Transport Strategy which was adopted in 2015. The LIP funding will support the delivery of schemes to improve air quality, reduce road casualties, deliver projects to discourage the use of private cars and encourage more use of sustainable transport. This demonstrates the Council's ambitious target for sustainable transport (walking, cycling and public transport) that 91% of journeys would be by these modes of transport by 2041.

Each London Borough is required to prepare a Local Implementation Plan (LIP) containing its proposals for implementing the Mayor's Transport Strategy (MTS) under the Greater London Authority Act (1999). The LIP is a statutory document setting out the council's transport strategy and objectives for the borough and how it intends to implement them through transport measures. The strategy and objectives need to relate to the Mayor's Transport Strategy and the LIP has to be approved by Transport for London on behalf of the Mayor. TfL has allocated the Council a

provisional sum of £1,058k for 2022/23 against Corridors Neighbourhoods with an additional £1,054k for Cycleways Network development. Although an initial allocation of £926k has been made for 23/24, further details on funding for years 2023/24 and 2024/25 are yet to be finalised and future capital bids will be submitted when total sums have been fully confirmed by March 2023.

The schemes in the project have been itemised in the Cabinet report 3 year Local Implementation Plan (LIP) 22/23 - 24/25. Details of new assets can be found in the list of schemes in the Cabinet report 3 year Local Implementation Plan (LIP) 22/23 - 24/25 that is also proposed for approval by Cabinet under a separate item on the agenda for this meeting. This capital spend supports the Council's Community Strategy 2018-2028 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 funding.

11.1.3 School Streets: Resource and spend approval of **£1,105k (£360k in 2023/24, £430k in 2024/25 and £315k in 2025/26)** is requested to fund the implementation of 17 school streets scheme. The exact length of public highway that will be included in each scheme has not yet been determined, but will be established through working in partnership with highways design engineers, Parking and CCTV officers. School Streets are designed to tackle congestion, improve air quality at the school gates, and create a safer environment for pupils to walk and cycle to school. As an inner London borough, many pupils attending Hackney schools are often exposed to poor air quality and unsafe, congested streets. Hackney's School Streets programme is therefore essential in our efforts and commitments to reclaim space outside our schools to create safer, low traffic streets.

Hackney already has 48 School Streets which is the highest number in the UK. The priority now is to manage the existing schemes whilst introducing new School Streets where these are possible and would benefit the area. Hackney was one of the first local authorities in the country to introduce School Streets, whereby roads outside schools become pedestrian and cycle only zones during drop off and pick up times. Hackney's School Streets programme has been ongoing since 2017. In this time, Hackney has established itself as a national leader in the complex delivery of the well regarded schemes from their conception through to review.

A programme has been developed to implement School Streets at six further primary schools, six secondary schools and five independents over the manifesto period (2022-2026), therefore expanding the number of School Streets in Hackney by a further 17 schools to bring the total number of School Streets in the borough to 65 by 2026. In addition, a commitment is made to assess remaining schools without a School Street for possible alternative measures. This funding bid would include the following;

- Funding for implementation of 17 schemes
- Funding for scheme maintenance
- Funding for a post to manage and implement the school street maintenance programme.

It is proposed that the scheme would be completed by April 2026. 6 School Streets Schemes would be progressed per year in 2023/24 and 2024/25, with 5 schemes implemented in 2025/26 in order to achieve this completion target. This would result in 65 School Streets across the borough. This capital spend supports the Council's Community Strategy 2018-2028 Priority 3 'A greener and environmentally sustainable community which is prepared for the future' and Priority 4 'An open, cohesive, safer and supportive community'. This approval will have no net impact on the capital programme as it will be funded by discretionary resources held by the authority.

11.1.4 Connecting Green Spaces - St Thomas Long Burial Ground: Spend approval of **£100k in 2022/23** is requested to deliver a new entrance into St Thomas Long Burial Ground from Well Street, making it easier for people to access the Green Space and move through it. Hackney has one of the largest expanses of green spaces in inner London, with 58 parks and green spaces totalling around 282 hectares. Improving our parks and green spaces is one of our priorities – since 2010 there's been £25m of investment in them, with a further £8m of investment planned to take place over the next few years. Because many of our green spaces were designed in Victorian times, they can sometimes still resemble private, fenced off gardens reserved for the few, rather than green spaces open to everyone. Rather than being open and welcoming, some spaces have rigid, inaccessible boundaries. Sometimes these barriers separate them from the wider neighbourhood, creating 'islands' of disconnected green space. The Council is looking to improve this by connecting green spaces to the wider environment, together and to each other.

This capital expenditure will create a new pedestrian access into the park, enabling easier access through the green space. It will improve St Thomas Long Burial Ground, owned and managed by the Council. 0.57Ha of the public realm will be improved and made more accessible. The improved route will encourage people to use the park, instead of an existing narrow alleyway, or walking a longer route next to main roads. The improvement would contribute to the Council's aim of connecting green spaces, and creating more livable neighbourhoods. The Council's Capital Strategy has a commitment to 'Maintenance of the Council's parks and green spaces - ensuring our residents have the space to exercise and stay healthy and have access to good local facilities'. This capital spend supports the Council's Community Strategy 2018-2028 Priority 3 'A greener and environmentally sustainable community which is prepared for the future'. This approval will have no net impact as the resources already form part of the capital programme.

11.2 S106 Capital For Approval

Resource and Spend approval is requested for **£9k 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.

Agreement No.	Project Description	Site Address	2022/23 £'000
2013/4000	Towards Net Zero Carbon Study Update	R Greens 1 Mentmore Terrace London E8 3PN	9
Total Capital S106 for Approval			9

This capital approval is to fund a joint research piece on the true cost of 'Carbon offsetting' commissioned by 18 London Local Authorities. There is a general consensus across London Authorities that the £95 per tonne carbon price, used by many boroughs, could be too low. It does not encourage applicants to maximise carbon savings on site or incentivise the delivery of net zero buildings, and fails to fund the necessary offset measures.

Hackney's current carbon pricing is £95 and is much lower than the cost for developers to achieve equivalent carbon saving on site, making it an attractive option for developers, leading to less energy efficient and climate resilient buildings being built. The current pricing of £95 is also not representative of the cost for the Council to offset equivalent amounts as it doesn't factor in administrative and construction fees. The previous study estimated that carbon pricing should be 3 times higher. This study can potentially be used as evidence on Hackney's carbon offset payment fee, and could be used in consideration of potential changes to the fee set, subject to other planning considerations.

12. S106 Capital For Noting

The s106/CIL Corporate Board Meeting dated 4 October 2022 considered the following bids for resource and spend approval. As a result **£65k in 2022/23** will be spent in accordance with the terms of the appropriate s106 agreements.

Agreement No.	Project Description	Site Address	2022/23 £'000
2013/3608	Highway Works 70a-78 Oldhill St N16 6NA	70B Oldhill Street, London, N16 6NA	29
2020/0385	Highway Wks 91-93 Rendlesham Rd	91 - 93 Rendlesham Road, Hackney, London, E5 8PJ	28
2004/0388	Highway Wks 109 Mount Pleasant Lane	109 Mount Pleasant Place	7
Total Capital S106 for Noting			65

13. Capital Adjustments 2022/23

The Capital Programme adjustments are requested in order to adjust and reappropriation the 2022/23 approved budgets to better reflect project delivery of the anticipated programme set out below with a detailed scheme provided in Appendix 5.

Current Directorate	Capital Adjustments 22/23
	£'000
Total Non-housing	(69)
Total Housing	0
Total	(69)

APPENDICES

Appendix 1 - Site Plan for 5B Sharon Gardens E9 7RX

Appendix 2 - Floor Plan for 5B Sharon Gardens E9 7RX

Appendix 3 - Site Plan for 76 Fletching Road E5 9QR

Appendix 4 - Floor Plan for 76 Fletching Road E5 9QR

Appendix 5 - Capital Adjustments

BACKGROUND DOCUMENTS

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.

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