

Title of Report	Capital Update and Property Disposals and Acquisitions Report	
Key Decision No	FCR S208	
For Consideration By	Cabinet	
Meeting Date	11 December 2023	
Cabinet Member	Robert Chapman, Cabinet Member for Finance, Insourcing and Customer Service	
Classification	Open with exempt appendices	
Ward(s) Affected	All	
Key Decision & Reason	Yes	Spending or Savings
Implementation Date if Not Called In	19 December 2023	
Group Director	Jackie Moylan, Interim Group Director, Finance	

1. CABINET MEMBER'S INTRODUCTION

- 1.1 This report updates members on the capital programme agreed in the 2023/24 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 Strategic Plan.
- 1.3 This month we are recommending that Cabinet approve the proposed surrender of the head lease to Shoreditch Town Hall Trust, alongside a simultaneous regrant of a superior lease for the Annexe, spanning 150 years to Shoreditch Town Hall Trust, and an extension of a superior lease for the Car Park Site for an additional 72 years. Additionally, the final recommendation pertains to the approval of a new sublease, which is to be granted to The Office Group by Shoreditch Town Hall Trust for a period of 150 years. The agreement to lease for the extended period proposed in this report, is subject to the conditions set out in the recommendations.
- 1.4 We continue to invest in our Children and Education enhancing services to ensure our young people have a healthier and best start in life, and that we

maintain an open, cohesive, safer and supportive community. This includes:

- £300k of investment to fund a Care Leavers Hub to enable the continued support for children and families with practical help such as finding employment and preventing poverty and addressing housing needs and homelessness.
- £82k of investment to fund CCTV installation and repairs work at Ferncliff Family Contact Centre which works to give a safe environment for 'Looked after children' and their families to attend, have support and address safeguarding risks and preventative actions.
- £223k of investment to fund the Shoreditch Park New Hut to ensure we have outstanding and safe play areas for our children.

- 1.5 We continue to prioritise investing in our assets to ensure they are fit for purpose in delivering vital services. We propose £72k of investment for essential health and safety works of re-routing of existing electrical intake supply identified at 40-43 Andrews Road. This will ensure that the Council can continue to deliver the essential SEND and Hackney Passenger Transport Services and to ensure the most vulnerable residents can travel around the borough safely. This contributes to our commitment to tackle inequality and meet the complex needs of our residents.
- 1.6 We continue to invest in our Environmental Services and propose £120k investment at Millfields Depot to enable Council Officers to replace the obsolete charging infrastructure and to engage UK Power Network Services to conduct a feasibility study which will identify potential strategies to successfully deliver the long term ambition to electrify Hackney's fleet of vehicles. This investment will also be contributing to our manifesto commitment to be a greener and more sustainable Hackney prepared for the impacts of climate change, to improve air quality and improve public health.
- 1.7 This month approval is sought for the use of £126k of S106 monies for improvements in our cycle scheme on Green Lanes between Petherton Road and the Haringey Council boundary by the New River. The plan is to relocate the existing northbound and southbound travel direction speed cameras from the carriageway to the footway to provide a continuous cycle lane on the north and southbound travel directions on Green Lanes outside 1 to 55 Weston Court. This investment contributes to a greener Hackney and helps our residents to cycle safely around the borough and lowering the likelihood of road collisions.
- 1.8 Finally, in this month's report we will bring in investment for the Local Implementation Plan (LIP) 23/24 funded by the Transport for London grant. This investment contributes to Hackney's leading approach to sustainable urban living, protecting children by implementing the pioneering School Streets, introduction of LTNs, expanding cargo bikes, dockless bikes, parklets, electrifying car clubs. Thus maximising the impact of climate change, meet our net zero ambitions, reduce greenhouse gas emissions from the transport network, improve air quality and help residents live active and healthier

lifestyles.

1.9 I commend this report to Cabinet.

2. INTERIM 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 Shoreditch Town Hall Annexe and Car Park Site, Rivington Place, London, EC2A 3BA:** The Council owns the freehold interest of Shoreditch Town Hall, Old Street ("The Town Hall"), under title number NGL234590. The Council granted a long leasehold interest of the Town Hall on full repairing and insuring terms to Shoreditch Town Hall Trust (STHT) in 2002, expiring in 2101. The Grade II listed Town Hall is operated by Shoreditch Town Hall Trust as an arts and cultural centre, with a small amount (one or two rooms) of workspace and a restaurant that is sublet to The Clove Club.

2.3 The Council also owns the freehold interest of Shoreditch Town Hall Annexe and Car Park Site, under the title number EGL446822. This site is to the rear of the Town Hall and comprises two parts that are separated by Rivington Place: (1) Shoreditch Town Hall Annexe ("the Annexe"), and (2) the car park site ("the Car Park Site"). The Council granted a long leasehold interest of the Shoreditch Town Hall Annexe and Car Park Site to Shoreditch Town Hall Trust (STHT) in 2002, expiring in 2101. Shoreditch Town Hall Trust has granted separate long term subleases of the Annexe and the Car Park Site and both have been separately developed; the Annexe for office use, and the Car Park Site as visual arts centre Autograph. The subleases both expire three days before the head lease in 2101.

2.4 Shoreditch Town Hall Trust is responsible for all repairs and maintenance of the Town Hall. Shoreditch Town Hall Trust has identified £1.2m of required repair and improvement works to the Town Hall building, but is not able to meet the cost through its own reserves, and has not to date been able to secure external funding. Shoreditch Town Hall Trust has provided a business case to the Council (attached at exempt Appendix 2) setting out the proposed works and why they are required, along with a reasonably detailed (albeit caveated) cost plan by Northcote Building Consultancy Ltd.

2.5 Shoreditch Town Hall Trust has proposed funding the works through granting a sublease extension of the Annexe, which is sublet to The Office Group (TOG). The Office Group has offered a premium to extend its sublease from 78 to 150 years. The Council is required to surrender the existing lease and grant a new superior lease to Shoreditch Town Hall Trust, of at least the same length as the proposed sublease, in order for it to proceed. The premium received from The Office Group will be split between the Council and Shoreditch Town Hall Trust on a fair and reasonable basis.

- 2.6 Shoreditch Town Hall Trust intends to formally request that the Council allocates a proportion of the Council's reasonable share of the premium to the Trust as a contribution to its planned capital improvements to the Town Hall. This is subject to ongoing discussion between the parties and does not form part of the recommendations in this report.

3. RECOMMENDATION(S)

- 3.1 **That the scheme for Childrens and Education Directorate as set out in section 11 be given approval as follows:**

Care Leavers Hub (Relocation): Resource and spend approval of **£300k (£15k in 2023/24 and £285k in 2024/25)** is requested to enable Council Officers to develop a Hackney Care Leavers Hub, which will provide a physical space in the borough for Hackney Care Leavers to come together and access support.

Ferncliff Family Centre CCTV Installation and Repairs Work: Resource and spend approval of **£82k in 2023/24** is requested to re-establish a secure CCTV system and remedial works at the site which will allow the Ferncliffe Family Centre to maintain a secure and safe area for its service users and for the security of the building in general.

Shoreditch Park New Play Hut: Resource and spend approval of **£223k in 2024/25** is requested to enable the Council's Officers to appoint a contractor to carry out the construction works of a new play hut at Shoreditch Adventure Playground and the demolition of the existing play hut.

- 3.2 **That the scheme for Finance and Corporate Resources Directorate as set out in section 11 be given approval as follows:**

40-43 Andrews Road (Rerouting of Existing Electrical Intake Supply): Resource and spend approval of **£72k (£58k in 2023/24 and £13k in 2024/25)** is requested to enable Council Officers to progress the urgent health and safety works of re-routing of existing electrical intake supply at this site.

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

Millfields Depot (Electrification Feasibility and Replacing Obsolete Charging Infrastructure): Resource and spend approval of **£120k in 2023/24** is requested to enable Council Officers to replace the obsolete charging infrastructure and to engage UK Power Network Services to conduct a feasibility study which will identify potential strategies to successfully deliver the long term ambition to electrify Hackney's fleet of vehicles.

- 3.4 **That the s106 Capital scheme summarised below and set out in section 11 be approved:**

S106	2024/25 £'000
Capital	126
Tota S106 Capital for Approval	126

- 3.5 That the schemes outlined in section 12 to be noted.
- 3.6 Authorise (1) the surrender of the head lease to Shoreditch Town Hall Trust of the land under title number EGL446822 shown for identification purposes edged red on the plan at Appendix 1; (2) the simultaneous regrant of a superior lease of the Annexe for 150 years to Shoreditch Town Hall Trust; (3) the simultaneous regrant of a superior lease of the Car Park Site for further 78 years to Shoreditch Town Hall Trust and (4) approval of a new sublease to be granted by Shoreditch Town Hall Trust to The Office Group for 150 years.
- 3.7 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 transactions.
- 3.8 To delegate authority to the Interim Group Director of Finance and the Acting Director of Legal, Democratic and Electoral Services to agree to all other terms and documentation.
- 3.9 Reason(s) for the recommendations:
- 3.9.1 Proposed Disposal of Shoreditch Town Hall Annexe and Car Park Site, Rivington Place, London, EC2A 3BA: The proposed set of transactions will be subject to the receipt of a premium paid by The Office Group. This amount will be subject to a fair and reasonable split between the Council and Shoreditch Town Hall Trust.
- 3.9.2 The capital receipt by Shoreditch Town Hall Trust will assist the organisation in funding essential works that it is required to carry out to the building under the terms of its long leasehold interest from the Council.
- 3.9.3 This proposed transaction, which exceeds the Council's current freehold value, has the potential to unlock a significantly higher marriage value and provide a substantial capital receipt for the Council, as well as Shoreditch Town Hall Trust.
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.

5. DETAILS OF ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

5.1 **Proposed Disposal of Shoreditch Town Hall Annexe and Car Park Site, Rivington Place, London, EC2A 3BA:** The alternative option for the Council is to reject the proposal. This would mean that the existing lease arrangements remain in place with expiries in 2101.

5.2 This option has been considered but rejected because both the Council and Shoreditch Town Hall Trust stand to benefit from the transaction by way of a capital receipt. The Office Group is a special purchaser that may not be willing to pay such a sum or proceed with the transaction at all at a later date. If the Council does not take the opportunity now, it may not be available again in the future.

5.3 Shoreditch Town Hall Trust will use its share of the receipt to invest in essential works to the building. The business plan attached to this report sets out the necessity and benefits of these works. Shoreditch Town Hall Trust has made clear the difficulties it has had in obtaining alternative funding sources and it could potentially rely heavily on the receipt from this proposed transaction. The fair and reasonable allocation to Shoreditch Town Hall Trust will not cover all of the proposed works but it will allow Shoreditch Town Hall Trust to at least consider and undertake works that it considers to be a priority.

6. Policy Context

6.1 The report to recommend the Council Budget and Council Tax for 2023/24 considered by Council on 27 February 2023 sets out the original Capital Plan for 2023/24. Subsequent update reports considered by Cabinet amend the Capital Plan for additional approved schemes and other variations as required.

6.2 **Proposed Disposal of Shoreditch Town Hall Annexe and Car Park Site, Rivington Place, London, EC2A 3BA:** The proposed transaction will provide a substantial financial benefit to Shoreditch Town Hall Trust as well as to the Council. This supports local strategies and objectives. Hackney's Community Strategy recognises the importance of community resilience and that accessible community spaces can help promote this – for example, by encouraging healthy lifestyles [and] providing routes into volunteering. Hackney's Inclusive Economy Strategy describes the importance of the arts and cultural sector within the local economy.

- 6.2.1 Hackney's Arts and Cultural Strategy states: "We know that arts and cultural events, as well as venues and spaces, have a huge role to play in keeping Hackney's communities strong and cohesive in the face of frictions created by rapid social and economic change." This is acutely true in Shoreditch and Hoxton, with the former experiencing the most significant growth in the borough over the last decade.
- 6.2.2 Hackney's Local Plan 2033 states the importance of arts and culture to the borough and the role within this of specific centres, including Shoreditch and Hoxton. Policy LP10 specifies that "Development involving the loss of arts, culture and entertainment facilities will be resisted, unless re-provided in accordance with other policy requirements."
- 6.2.3 The emerging Future Shoreditch Area Action Plan sets out a specific approach to arts and culture to "build on its strengths as a world-renowned destination for culture, creativity, entertainment and innovation" alongside an aim to deliver growth that benefits all. Within the draft Area Action Plan, planning policy FS05 focuses on supporting arts, culture, entertainment and retail. New provision is encouraged, and loss of existing provision is "to be resisted in line with local plan policies".

6.3 **Equality Impact Assessment**

- 6.3.1 **Proposed Disposal of Shoreditch Town Hall Annexe and Car Park Site, Rivington Place, London, EC2A 3BA:** No negative impacts have been identified as a result of this proposal. Shoreditch Town Hall Trust intends to improve accessibility to the site as part of its capital works.

6.4 **Sustainability and Climate Change**

- 6.4.1 **Proposed Disposal of Shoreditch Town Hall Annexe and Car Park Site, Rivington Place, London, EC2A 3BA:** Shoreditch Town Hall Trust proposed works include replacing mechanical plants with more sustainable alternatives to reduce carbon footprint".

6.5 **Consultations**

- 6.5.1 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.

6.6 **Risk Assessment**

- 6.6.1 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 INTERIM GROUP DIRECTOR, FINANCE

- 7.1 The gross approved Capital Spending Programme for 2023/24 currently totals **£210.723m (£107.576m non-housing and £103.147m 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 2023/24 of **£212.700m (£109.552m non-housing and £103.147m housing)**.

Current Directorate	Revised Budget Position	Dec 2023 Cabinet	Updated Budget Position
	£'000	£'000	£'000
Chief Executive's	366	0	366
Adults, Health & Integration	1,641	0	1,641
Children & Education	13,590	97	13,687
Finance & Corporate Resources	63,002	58	63,061
Climate, Homes & Economy	28,977	1,821	30,798
Total Non-Housing	107,576	1,976	109,552
Housing	103,147	0	103,147
Total	210,723	1,976	212,700

- 7.4 **Proposed Disposal of Shoreditch Town Hall Annexe and Car Park Site, Rivington Place, London, EC2A 3BA:** This report presents a formal recommendation for the surrender of the head lease to Shoreditch Town Hall Trust, alongside a simultaneous regrant of a superior lease for the Annexe, spanning 150 years to Shoreditch Town Hall Trust, and an extension of a superior lease for the Car Park Site for an additional 72 years. Additionally, the final recommendation pertains to the approval of a new sublease, which is to be granted to The Office Group by Shoreditch Town Hall Trust for a period of 150 years.
- 7.5 Shoreditch Town Hall Trust, the current tenant, has identified repair and improvement works amounting to £1.2 million for the Town Hall building. Furthermore, they have received an offer of a premium from their lessee, The Office Group, contingent on the surrender of their existing sublease and the

simultaneous issuance of a new lease for a duration of 150 years. Shoreditch Town Hall Trust has proposed to fund the repair and improvement works from the premium. The Office Group is offering a premium which is to be fairly divided between Shoreditch Town Hall Trust and the Council. The existing head lease between the Council and Shoreditch Town Hall Trust possesses a remaining term of 87 years. The recommendations outlined in this report will facilitate Shoreditch Town Hall Trust in granting the new sublease, securing the necessary funds, and executing the identified improvements for the Town Hall.

- 7.6 It is essential to note that Shoreditch Town Hall Trust intends to formally request a portion of the Council's allocation of the premium to support the repair and improvement works. Further discussions on this matter are currently underway, but it is important to clarify that these discussions do not constitute part of the recommendations put forth in this report.
- 7.7 The regranting of the new 150 year superior lease will adhere to the same terms and conditions as those stipulated in the existing head lease.

8. VAT IMPLICATIONS ON LAND AND PROPERTY TRANSACTIONS

- 8.1 **Proposed Disposal of Shoreditch Town Hall Annexe and Car Park Site, Rivington Place, London, EC2A 3BA:** On the basis that the variation will include an extension to the length of the tenancy, from a VAT perspective this will be treated as a surrender of the old lease and the grant of a new lease. Any consideration the Council receives for this will be exempt from VAT unless the Council has opted to tax. If there is no monetary consideration, no supply is seen as taking place if the variation merely extends the term. If the longer lease is granted, then on the basis that the tenant will be responsible for the works that will be carried out to the site, any VAT incurred on the works will be a problem for them, not the Council. However, assuming that consideration will be received, and no option to tax has been made, the Council will still need to take into account in the partial exemption calculation any exempt input tax that is incurred by the Council. If an off street "car park" is rented regardless of an option to tax VAT must be charged on the rent.

9. COMMENTS OF THE ACTING DIRECTOR OF LEGAL, DEMOCRATIC AND ELECTORAL SERVICES

- 9.1 The Interim Group Director, Finance 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 Proposals for capital spending shall be submitted to Cabinet for acceptance into the capital programme recommended to Full Council for adoption (paragraph 2.17, Financial Procedure Rule FPR2, Section A, Part Five of the Council's Constitution).
- 9.4 Once the capital programme has been approved, Cabinet exercises control over capital spending and resources and may authorise variations to the capital programme provided such variations are within available resources and are consistent with Council policy (paragraph 2.18, Financial Procedure Rule FPR2, Section A, Part Five of the Council's Constitution).
- 9.5 Section 106 Town and Country Planning Act 1990 permits anyone with an interest in land to enter into a planning obligation which is then enforceable by the local planning authority. Planning obligations are private agreements intended to make acceptable developments which would otherwise be unacceptable in planning terms. Frequently such obligations require the payment of a financial contribution to compensate for the loss or damage created by the development or mitigate against the development's impact. Local authorities must have regard to the legal tests laid down in Regulation 122 of the Community Infrastructure Levy Regulations 2010 prior to requiring a developer to enter into a s106 obligation. Hackney Council approved the Planning Contributions Supplementary Planning Document on 25 November 2015 under which contributions are secured. Once completed, s106 agreements are legally binding contracts and financial contributions can only be used for the purposes specified within the obligation itself.
- 9.6 The Council also receives payments under the Community Infrastructure Levy Regulations 2010 based upon the Council's adopted charging schedule adopted in 2015 (this is separate to the Mayor of London's CIL). The Council's adopted Regulation 123 list details the infrastructure that the payments received will be spent upon. In addition, there is a neighbourhood element to CIL and areas where development is taking place will receive a proportion of the receipts to be spent in local neighbourhoods, this includes the Hackney Community Fund.
- 9.7 **Proposed Disposal of Shoreditch Town Hall Annexe and Car Park Site, Rivington Place, London, EC2A 3BA:** The approval of the grant of a lease for more than 7 years is a decision to be made by the Mayor and Cabinet pursuant to the the Mayor's Scheme of Delegation. This report seeks authority by Cabinet and the Mayor as the leases to be granted are for terms in excess of seven years.
- 9.8 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. The Property comments have confirmed that the grant of the leases will be at best value.

9.9 The recommendation to grant a long-term lease of this property is further supported by Section 2 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.

9.10 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.

10. COMMENTS OF THE DIRECTOR OF STRATEGIC PROPERTY SERVICES

10.1 **Proposed Disposal of Shoreditch Town Hall Annexe and Car Park Site, Rivington Place, London, EC2A 3BA:** Where the Council enters into a lease of more than 7 years this constitutes a disposal for the purpose of Section 123 of the Local Government Act 1972 and the Council is required to demonstrate that it has achieved best consideration or seek the consent of the Secretary of State for disposal at an undervalue.

10.2 The Council's Strategic Property Services is satisfied that the The Office Group offer has been increased as a result of negotiation but will not be further improved upon. The valuation report at Appendix 3 supports our view that the offer represents best value for the Council. This report has been analysed and corroborated internally by the Council's Strategic Property Services and therefore the Council's obligation under Section 123 of the Local Government Act is discharged.

11. CAPITAL PROGRAMME 2023/24 AND FUTURE YEARS

11.1 Childrens and Education

11.1.1 **Care Leavers Hub (Relocation):** Resource and spend approval of **£300k (£15k in 2023/24 and £285k in 2024/25)** is requested to enable Council Officers to develop a Hackney Care Leavers Hub, which will provide a physical space in the borough for Hackney Care Leavers to come together and access support. All of Hackney's care leavers are former looked after children. The Council's Property Services identified a property that meets the specification, the caretakers' property at the Ann Taylor Children's Centre. This property has been occupied by live-in guardians for the past 7 years. It should be noted that the cost plan is based on early stage design information. A survey has been undertaken on the building to identify any remedial work required to address its current condition, before it is fit for public use. A review of the potential additional use of the building to provide more therapeutic spaces to meet with young people, children and families has been undertaken with the Hackney



Childrens and Families Clinical Service. The running costs can be met from the existing Leaving Care budget. A review of security needs has been undertaken, to ensure that the building is secure for staff and young people on site when the hub is up and running.

This Hub will provide peer support that can be very powerful in healing from trauma, whilst Care Leavers benefit most from consistent, persistent, proactive support through their transition to adulthood. Creating one space in our borough that our Care Leavers can feel is their own, where they can spend time with each other, accessing basic facilities and being offered wrap-around multi-agency advice and guidance, is to help them achieve the best possible outcomes for their future. Nationally, most local authorities have either already established or have plans to open a Care Leavers Hub. Locally within London, the establishment of a Care Leavers Hub in Hackney would replicate spaces that have already been established in our neighbouring local authorities such as Barnet, Islington, Camden, Newham and Waltham Forest. As such this capital approval will bring about the following benefits and outcomes:

- It will enable Care Leavers to access peer and professional support in the borough from a range of multi-agency professionals;
- It aligns Hackney Council with current best practice being implemented nationally by Local Authorities;
- It will provide a service to one of the Council's most vulnerable groups;
- It will empower Care Leavers and transform professional relationships with their leaving care practitioners and partner agencies;
- It will act as champions for the needs of our 'Looked after Children' and Care Leavers in all our spheres of influence.

The project Phases are as follows:

- Phase 1 - Appointment of consultants to provide professional services, drafting of technical documentations, confirmation of specifications and requirements all in readiness for the tendering process;
- Phase 2 - Appointment of contractors via the tendering process;
- Phase 3 - Construction and completion of works.

Project milestone	Estimated completion date
Appoint Consultants	January 2024
Design, specifications, Planning consent, Building control approval	March 2024
Invitation to Tender	May 2024
Start on Site	July 2024
Construction	September 2024

This capital expenditure demonstrates the Council's ambitions to ensure all young people in Hackney have access to support, investing in mental health and wellbeing, providing opportunities, tackling any potential homelessness and reducing the risk of poverty so as to have the best start in their adult life. This capital project supports the Council's 2018-2028 Sustainable Community Strategy Priority 1 'A borough where everyone can enjoy a good quality of life and the whole community can benefit from growth' and Priority 2 'A borough where residents and local businesses fulfil their potential and everyone enjoys the benefits of increased local prosperity and contributes to community life'. This approval will have an impact on the corporate programme as the project will be funded by earmarked capital receipts held by the local authority.

- 11.1.2 **Ferncliff Family Centre CCTV Installation and Repairs Work:** Resource and spend approval of **£82k in 2023/24** is requested to install a new CCTV system and remedial works at the site. This will allow the Ferncliffe Family Centre to maintain a secure and safe area for its service users and for the security of the building in general. This centre is the Social Services Contact Family Centre used to provide supervised contact for 'looked after children' either temporarily or permanently. Here they will have on-going supervised, supported or facilitated contact with members of their families. These contact arrangements for children are an important part of the child's plan; they assist in the assessment of risk and the identification of strengths between children and their parents alongside the carers from their families. This is a safe and neutral environment away from their families. The Contact Service is currently delivered by Swanstaff Recruitment Limited at the Ferncliff Family Centre. This service promotes good contact arrangements that can support successful rehabilitation of children to their families when safe to do so and can also support early identification of a parent's capacity to change in order to plan for a child's needs for permanence via adoption or fostering. The current CCTV system at the Ferncliff Family Centre is redundant and beyond economical repair and the external playground area is currently in a poor condition and remedial works. Following a review of security arrangements at the Ferncliff Centre the need for CCTV was identified.

If approved the budget will fund the new CCTV and network installation and integrate the system into the Council's infrastructure and to carry out the remedial works to the playground. It will enable Swanstaff Recruitment Limited to be able to deliver an effective service at the Ferncliff Family Centre. This capital expenditure demonstrates the Council's commitment to ensure every child and young person in Hackney has the best start in life; shaping a more inclusive and high performing education system, maintaining our early years and youth services, keeping children safe and investing in their mental health and well being, providing access to outstanding play, culture, and sport, and opportunities; tackling child poverty, and supporting those families who need us most. This capital project supports the Council's 2018-2028 Sustainable Community Strategy Priority 2 'A borough where residents and local businesses

fulfil their potential and everyone enjoys the benefits of increased local prosperity and contributes to community life'. This approval will have an impact on the corporate programme as the project will be funded by earmarked capital receipts held by the local authority.

Project milestone	Estimated date
Ordering and delivery of the work including fitting	February 2023

- 11.1.3 **Shoreditch Park New Play Hut:** Resource and spend approval of **£223k in 2024/25** is requested to enable the Council's Officers to appoint a contractor to carry out the construction works of a new play hut at Shoreditch Adventure Playground and the demolition of the existing play hut. Shoreditch Adventure Playground is an open access adventure playground for young people aged 6 to 15 years' old, located in Shoreditch Park. It provides year round play activities during school holidays and after school during term time. Depending on the time of year, daily attendances range from 50 - 130 young people during the school holidays and 30 - 70 young people during term time. The adventure playground includes the play hut which is used to facilitate a wide range of play activities that are not possible outside on the playground.

The play hut was built in 1984 and is of a log cabin construction. There are structural issues with the building as well as ongoing maintenance and repair issues which are causing a number of safety hazards and concerns. This approval will increase the existing budget of £350k which was agreed by cabinet in November 2020. The project has encountered a number of unexpected costs as well as experiencing a number of delays which have impacted on the overall budget for the project. This approval will commence the remedial works to address some of the structural, accessibility and health and safety issues with the building. It will also address the safeguarding concerns regarding the toilets and enable accessibility for SEND young people. This will address some of the immediate maintenance and health and safety issues concerns caused by the continual degradation of the building. It will ensure continued play service at the adventure playground and ensure young people with special educational needs and disabilities will have access to use the playground.

This capital expenditure demonstrates the Council's commitment to the importance of high quality play facilities for our children and young people to engage in play activities that support their personal, social, physical and emotional health. The new play hut will ensure that Young Hackney has a provision in the Shoreditch and Hoxton area and is therefore able to continue offering this support for the foreseeable future. This capital project supports the Council's 2018-2028 Sustainable Community Strategy Priority 1 'A borough where everyone can enjoy a good quality of life and the whole community can benefit from growth' and Priority 2 'A borough where residents and local businesses fulfil their potential and everyone enjoys the benefits of increased local prosperity and contributes to community life'. This approval will have no

net impact on the capital programme as it will be funded by earmarked reserves held by the authority.

Description of Works
Address some of the structural and accessibility issues
Repairs to the external fabric of the building where there is dry rot
Staff toilet to be created
Repairs to the vertical shrinkage and cracks in the logs

Project milestone	Estimated date
Client Approval to Proceed to Construction	January 2024
On-site Mobilisation & Demolition	February 2024
Construction	February 2024
Completion	May 2024
12 Months Defects (Retention Release)	May 2025

11.2 Finance and Corporate Resources

- 11.2.1 **40-43 Andrews Road (Rerouting of Existing Electrical Intake Supply):** Resource and spend approval of **£72k (£58k in 2023/24 and £13k in 2024/25)** is requested to enable Council Officers to progress the urgent health and safety works of re-routing of existing electrical intake supply at this site. 40-43 Andrews Road is a large site owned by the Council and currently occupied by the Hackney Education and Schools Special Educational Needs and Disabilities Travel Assistance Service team ("the SEND team") and Hackney Passenger Transport team who currently share the site. Each team has their own fleet of vehicles adapted to suit each services' needs resulting in approximately 33 vehicles in total using the site. Both services based at the Andrews Road site operate in the delivery of a statutory function provided by the Council as part of the Council's statutory duties: Hackney SEND Travel Assistance Service is the provider of statutory and non-chargeable home to school transport for eligible students (up to the age of 25) with special educational needs and or disability (SEND) and Education Health and Care Plans (EHC Plans) and or identified medical needs who live in Hackney. The vehicles used by both services operate from both the rear and front of the site, either side of the old main factory building ("the main building").

Due to the extremely dilapidated state of the building there now exists a major risk to the electrical infrastructure that is housed inside the building and access is currently limited to authorised users. The location of the main building is

almost central to the site, dividing the site into two distinct segments and subsequently restricting the overall capacity of vehicles that can be based at this location. Now in a very poor state of repair with significant health and safety risks, the building can only be accessed by authorised personnel. The works will consist of excavation and reinstatement, new ducting, draw pits and associated items, along with the supply and installation of a new electrical intake kiosk for UKPN service/ metering equipment.

It is important to acknowledge that although significant contingencies and project development costs have been included, the cost plan is based upon early stage design information. There are significant project risks which could impact the cost estimate dependent on the extent they may, or may not, manifest themselves. These include geotechnical conditions, ground contamination and access issues along the southern boundary. The cost estimate will be reviewed as the design progresses and when relevant information becomes available. The longer-term aspirations for the site will be decided at a later date. Whatever option is taken in the longer term, demolition of the main building will be required in order to bring the future aspirations to fruition. The new electrical intake system will be fit for purpose and able to support additional future needs such as perimeter lighting, electric vehicle charging points and vehicle cleansing facilities.

This capital expenditure demonstrates the Council's commitment to a 45% reduction in greenhouse gas emissions by 2030 and net zero greenhouse gas emissions by 2040. As well as supporting the Council's Climate Action Plan 2023-2030 goals and objectives include the expansion of the EV charging network, both on street and in commercial and domestic settings as well as reducing transport greenhouse gas emissions from Council, business and institutional vehicle fleets. These aspirations can only be achieved with a constant, safe and reliable electrical supply. 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 earmarked reserves held by the authority.

Project milestone	Estimated completion date
Civil works,groundworks and ducting	31 January 2024
Electrical installation works	28 February 2024
UKPN disconnection and reconnection	29 March to 12 April 2024 *
	(*During Easter School Holiday period for minimal disruption)

11.3 Climate, Homes & Economy

11.3.1 **Millfields Depot (Electrification Feasibility and Replacing Obsolete Charging Infrastructure):** Resource and spend approval of **£120k in 2023/24** is requested to enable Council Officers to replace the obsolete charging

infrastructure and to engage UK Power Network Services to conduct a feasibility study which will identify potential strategies to successfully deliver the long term ambition to electrify Hackney's fleet of vehicles. Approximately 7 years ago 15 charging points were installed at Millfields depot to support their use of Battery Electric vehicles (BEV). That equipment is now obsolete and regularly failing. The equipment must be replaced now to ensure their BEV's can continue to be charged from that depot. The Council has a long strategic aim to move internal combustion engine (ICE) fleet vehicles to fully electric. One of the key problems with electrifying fleet vehicles is having the ability to charge them. The Council's Environmental Services, operated from Millfields depot, has already embraced BEV technology, currently operating 32 electric vehicles. However, to develop this technology to the rest of their fleet at that depot would require a major upgrade in the power requirements there. With waste collection and disposal being one of the services main statutory obligations, there may be an opportunity to utilise an element of that waste via an on-site 'waste-to-energy' plant which potentially could provide some, if not all, the electrical energy requirements for fleet electrification. Furthermore, a bi-product of the waste-to-energy incineration process is heat which could potentially be used to heat local homes.

The Council has an ambitious plan to electrify Hackney's fleet of vehicles and this will require a huge amount of capital investment. Therefore, the plan is to instruct UKPN Networks to conduct site surveys and provide the high level information and data set out in their proposal. The feasibility project should take approximately four weeks from the start of the project and we expect the study to identify the following:

- The necessary depot power upgrades;
- Alternative technologies for energy provision;
- Vehicle charging infrastructure installation for the long term electrification of Hackney's fleet of vehicles operating from Millfields depot;
- The potential for expanding our zero emission vehicles to HGV's in a phased approach as replacement cycles become due;
- The power capacity requirements to install charging infrastructure on the assumption that as vehicles are replaced over the next 7 to 10 years they are replaced with BEV;
- The existing power capacity available;
- How to maximise renewable power generation on site and nearby and, if possible, bridge any power shortfall from current with alternative energy solutions including a potential small zero emissions Waste-to-Energy plant close to the Depot and the approximate costs for this.
- Approximate cost of the required charging infrastructure to be installed in phases to compliment fleet replacement;
- Funding options for charging infrastructure;
- To identify whether the 'waste-to-energy' concept is a reality for that site and provide high level energy data whereby we can then build a long term 'spend to save' energy strategy;

Not part of the original feasibility study but potentially within scope of the project

is to also look at:

- Schematic plans of the site with likely parking bays and chargepoint locations.
- Whether there are suitable back office data systems fit for fleet purposes.

This capital expenditure will provide information and data which could support the Council's fleet contribution to support the implementation of the Climate Action Plan by identifying whether full fleet electrification is feasible and if not will allow us to formulate alternative environmental strategies. Potentially result in significant long term savings for the Council by confirming whether a 'waste-to-energy' plant will provide the expected energy and heat or not. The expected project outcome is purely the provision of high level information and data to determine the feasibility and cost of long term fleet environmental strategies at Millfields depot. 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 revenue contributions and earmark reserve held by the authority.

Project milestone	Estimated completion date
Feasibility for Electrification	4 weeks after project start
Feeder Pillar 1 installed (new distribution boards to meet the latest safety standards for this type of equipment)	2 days after project start
Feeder Pillar 2 installed	4 days after project start
Installation of charging units (Four)	7 days after project start
Commissioning	9 days after project start

11.2 S106 Capital for approval

11.2.1 S106 Capital Resource and Spend approval is requested for **£126k in 2024/25** of capital funding to be financed by S106 contributions. This project to be carried out is in accordance with the terms of the appropriate S106 agreements.

Agreement No.	Project Description	Site Address	2024/25 £'000
2013/1699	Green Lanes Cycle Scheme	218 Green Lanes London N4 2HB	126
Tota S106 Capital for Approval			126

This capital expenditure is to relocate the existing northbound and southbound travel direction speed cameras from the carriageway to the footway to provide a

continuous cycle lane on the north and southbound travel directions on Green Lanes outside 1 to 55 Weston Court. In 2021, the Council installed cycle lanes on Green Lanes between Petherton Road and the Haringey Council boundary by the New River on an experimental basis. The cycle lane was installed using road markings and wands to segregate the live motor traffic from cyclists. As part of the cycle lane scheme, the council has removed seven traffic islands to provide continuous cycle lanes. However, on Green Lanes outside 1 to 55 Weston Court the existing speed camera was not able to be removed due to funding constraints. This island causes a pinch point for cyclists when they cycle on Green Lanes. The scheme was originally approved for an 18 month experimental trial period and was made permanent in July 2022. In addition officers are considering the feasibility of making alterations to the loading bay outside the Sainsbury's local opposite Greenway Close to assist safe movement for cyclists. All these measures will enable safer cycling on Green Lanes.

12. FOR NOTING

- 12.1 The Cabinet report dated 23 January 2023 (Key Decision No CHE S152) gave resource and spend approval to enable Council officers to proceed with the delivery of the **Local Implementation Plan (LIP)** for a subsequent three year period 22/23 - 24/25 which also aligns with the Hackney Transport Strategy and the MTS. **As a result £1,701k in 2023/24** was approved to spend on Local Implementation Plan (LIP) delivery plan. The key overarching framework for the new MTS is the 'Healthy Streets Approach'. This policy puts people and their health at the centre of our decision making, helping everyone to use cars less and to walk, cycle and use public transport more. The report outlined the structure and content of the LIP 3 and the Council's proposed local transport objectives, indicators and targets, and how these will be addressed through investment in transport measures for the period 2022/23 - 2024/25 and beyond. TfL allocated the Council a provisional sum and the Council ensures that the proposed LIP programme fully commits to the provisional spend allocation for the time period. The plan includes schemes identified through a number of sources, including requests from Members and residents; strategic schemes that support the Council's objectives; schemes that have been committed in previous years for multi-year funding; and schemes that have the potential to improve road safety. These projects currently consist of parklets, SuDs, cycle, bus lane improvements, LTN schemes, Toucan crossings, air quality monitoring, Zero Emissions Network and School Streets. This capital expenditure 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.

Appendices

By Virtue of Paragraph 3 Part 1 of schedule 12A of the Local Government Act 1972 Appendices 2 and 3 to the report are exempt because they contain Information relating to any consultations or negotiations, or contemplated consultations or negotiations, in connection with any labour relations matter. It is considered that the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

Appendix 1 - Site plan of Shoreditch Town Hall Annexe and Car Park Site, Rivington Place, London, EC2A 3BA

Appendix 2 - EXEMPT Shoreditch Town Hall Trust Business Case

Appendix 3 - EXEMPT Valuation Report

Background Papers

None.

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