

LONDON BOROUGH OF NEWHAM

CABINET

Report title	Community Led Housing: Grant of long leasehold interest in Land within Canning Town North	
Date of Meeting	5th November 2024	
Lead Officer	Bobby Arthur, Head of Housing Strategy and Partnerships	
Corporate Director	Paul Kitson, Corporate Director of Inclusive Economy and Housing	
Lead Member	Cllr Amar Virdee, Cabinet Member for Housing Needs, Homelessness and Private Rented Sector	
Key Decision?	Yes	Reasons:
Exempt Information & Grounds	Yes	<p>The appendices 1, and 2 to this report are exempt within the meaning of Rule 11.5 of the Access to Information Procedure Rules set out in the Constitution, pursuant to paragraph 3 of Schedule 12A of the Local Government Act 1972, as amended.</p> <p>The information relates to the financial or business affairs of any particular person (including the authority holding that information) and the public interest in maintaining the exemption outweighs the public interest in disclosure.</p>
Wards Affected	Canning Town North	
Appendices	<ol style="list-style-type: none"> 1. Exempt Heads of Terms 2. Exempt Independent Valuation for Blake Road site (market facing) 2A, Exempt market valuation for CLT proposed tenure 3. Appropriation plan (not exempt) 	

Introduction by Cllr Amar Virdee

This proposal relates to the administration's commitment to support Community Land Trust (CLT) developments in the borough as part of its' policy approach to the delivery of genuinely affordable homes that local people can afford; as well as alignment to its community wealth building agenda and inclusive growth strategy. CLTs are nonprofit organisations that develop and maintain affordable homes, community gardens, civic buildings, pubs, shops and other assets on behalf of a community, putting control of those assets into the hands of local people. The report sets out how the Council

proposes to lease at nil cost an unused piece of land to E16 Community Land Trust (E16 CLT), who will develop a small scheme of affordable homes. . E16 CLT will seek planning permission, source development finance, and manage the construction process. The homes will be sold at a price that is affordable to someone on an average income in Newham, and kept affordable for future buyers.

Community-led housing is about empowering local people to make a difference to the challenges faced in their local areas. The depth and impact of the housing crisis means that a wide range of solutions are needed. Community-led housing is a movement that has been growing in popularity and profile across London – and this would be the first such development in Newham..

E16 CLT is supported by the well-established Community Led Housing London, who work with community groups, councils, housing associations and developers to provide expertise in the delivery of community-led housing. Community Led Housing London is supported by the Mayor of London and the GLA.

E16 CLT has identified a Council-owned site currently occupied by disused garages, which the Council has no plans to develop itself. Their initial plans indicate that the site could deliver nine homes, several of which would be much-needed family-sized homes. By granting a long lease on a small, unused piece of Council-owned land, we can support this first step in community-led housing in Newham.

I commend this report to the Mayor and Cabinet for approval.

1. Executive Summary

- 1.1 The Council has long been committed to supporting community-led housing as a way of delivering much needed new homes, driven by local residents. Community-led housing is a tried and tested route for housing delivery that empowers grassroots organisations to deliver and/or manage affordable homes. It also offers an alternative route to the delivery of much-needed affordable homes.
- 1.2 This report recommends agreement to the disposal by way of long lease of a small site in Newham between Blake Road and Clifford Road (“the Land”) to be used for the delivery of community-led housing by E16 Community Land Trust (“E16 CLT”). The Land is currently occupied by derelict garages that the Council’s Housing team have confirmed are not subject to any current licences or tenancies.
- 1.3 Disposal of the Land to E16 CLT for the purpose of delivering community-led housing is dependent upon a number of conditions being met, including planning permission being granted and the Council being satisfied of the viability of the scheme.

2. Recommendations

For the reasons set out in the report and its appendices, Cabinet is recommended to :

- 2.1 Delegate authority to the Corporate Director of Inclusive Economy and Housing in consultation with the Cabinet Member for Housing Needs, Homelessness and Private Rented Sector and Director of Property Services to agree :
- 2.1.1 That the Land is no longer required for the purpose for which it is currently held and that it should be appropriated to planning purposes, to include:
- conducting all appropriate steps necessary to complete the appropriation in satisfaction of all legal/regulatory requirements; and
 - consideration of any objections to the intended appropriation before a decision to appropriate is made
- 2.1.2 The final terms of the Agreement for Lease (“AFL”) and lease;
- 2.2 Approve the disposal of a 250 year lease in the Land to E16 CLT, as set out in the report and exempt appendix 1.

3. Background

- 3.1 Community Land Trusts (CLTs) are non-profit organisations that develop and maintain affordable homes and other community assets on behalf of a local community. They offer an opportunity for the development and management of new homes and the day-to-day running of community hubs, gardens, shops and more to be in the hands of local people.
- 3.2 In the 2018 corporate plan, the Council committed to supporting the creation of at least one Community Land Trust in Newham.
- 3.3 E16 CLT is Newham’s first community land trust and has been active in the borough since it was established in 2018. It has close ties to several other local community groups including Newham Citizens, the local chapter of Citizens UK which supports, connects and empowers local community groups.
- 3.4 E16 CLT is a registered Community Benefit Society, a legal structure that enables them to operate on a not-for-profit basis to benefit the community. They are registered with the Financial Conduct Authority. Their legal structure, which follows a model commonly used by Community Land Trusts across the UK, means members can own, build and manage land, housing and community assets. The CLT is able to form legally binding partnerships with organisations including Newham Council, and access funding specifically set aside for CLTs. Membership can be purchased for a one-off payment of £1, making it accessible to people with a local connection to Newham (for example being a resident or working in the E16 area) at any income level. The CLT is accountable to its members and managed by a board made up of experienced members with relevant professional backgrounds.
- 3.5 E16 CLT is supported by *Community Led Housing London*, an organisation supporting community groups, boroughs, developers and housing associations to enable the delivery of community-led housing. Community Led Housing London is supported by the Mayor of London and is part of the Co-operative Development Society. A Senior Project Advisor is seconded from Community Led Housing London into the E16 CLT to manage the project and provide professional advice to the CLT’s board.

- 3.6 E16 CLT works with other community groups and community led housing organisations, and has partnered with *London CLT* and *Newham Citizens*. London CLT focuses on helping communities create permanently affordable homes and transforming neighbourhoods. Newham Citizens is part of the organisation Citizens UK, which aims to develop the capacity and skills of disadvantaged communities in Britain and Ireland, so that members can better identify and meet their needs, and participate in social change. By building partnerships their mission is strengthened and they have a ‘non-competition agreement’ with their partners, meaning that each party has agreed to not submit competing proposals for any sites of opportunities in any part of Newham. In Spring 2023, they were awarded funding from the Civic Power Fund, so that they could hire a Housing Organiser to help build membership and advance their plans for affordable homes and a community centre in E16.

Developing a proposal for a community led housing scheme

- 3.7 Since 2019 the Council have been working with E16 CLT to find a suitable site, tenure offer and route to delivery for CLT homes and a community space in the E16 area. Plans were initially worked on for a development project on Coolfin Road in Custom House, however these were abandoned due to planning and phasing complexities with the wider regeneration scheme.
- 3.8 In 2022 the commitment to the development of community led housing was further set out into the Council’s Building a Fairer Newham Corporate Delivery Plan. The Corporate Plan’s Commitment 59a is to continue to develop Community Land Trust schemes in the borough, and in an update provided to Cabinet on 16th July 2024 it was noted that the first site had been identified.¹
- 3.9 E16 CLT has now identified two potential sites, of which the garage site at Blake Road / Clifford Road (“the Land”) is one identified for housing delivery. The other, 65 Ford’s Park Road is intended to be run primarily as a community centre, and proposals will be submitted to Cabinet separately.
- 3.10 The Land is a small disused garage site in Canning Town, accessed via Blake Road. It is owned by the Council and held by the Housing Revenue Account (HRA). It is currently locked and the Land is in a poor condition, with overgrown vegetation, fly-tipped waste and evidence of drug and alcohol misuse. A plan is shown at Appendix 3.
- 3.11 In July 2023 The Mayor of Newham wrote to E16 CLT to confirm the Council’s support and agreement in principle to the proposed disposal by the Council of the Land to E16 CLT, inviting them to develop the concept with a view to progressing to a Cabinet decision.
- 3.12 This would be the first time that Newham has taken this approach to housing delivery, which involves enabling a community-led local organisation to deliver a genuinely affordable housing product. Given the ongoing housing crisis and increased costs of delivering affordable housing across both private and public sectors, the opportunity to broaden the Council’s routes to delivery of affordable housing is particularly welcome.

¹ See:

<https://mgov.newham.gov.uk/documents/s174127/Building%20a%20Fairer%20Newham%20Performance%20Report%202324%20FINAL.pdf>

Community Led Housing in practice

- 3.13 Community Led Housing schemes can take many forms, and, elsewhere in London, Community Led Housing schemes are delivering new homes for local people.
- 3.13.1 St Clements, Tower Hamlets, London CLT – this scheme, completed in 2017 comprises 23 homes built as part of a larger scheme developed by Galliford Try, the freehold then being transferred to a community foundation. The sale price of each home was linked to the median income in Tower Hamlets rather than their market value, and kept affordable in perpetuity, a tenure model which the E16 CLT intends to replicate at the Land.
 - 3.13.2 Citizens House, Lewisham, London CLT – this scheme of 11 homes in Lewisham is London CLT's first direct delivery development (in collaboration with Lewisham Citizens), the same approach that E16 CLT would be taking. Prices for the new homes are, like St Clements, set at rates affordable for local people and the first residents moved in 2023.
 - 3.13.3 Church Grove, Lewisham, RUSS – this development comprises 36 sustainable new homes on a formerly derelict school and industrial site. The scheme is made up of a number of tenures, including full ownership, part-rent-part-buy, London Living Rent and social rent. It also includes an on-site community hub. The resale price of the for-sale properties is tied to the original cost of building, rising in line with the retail price index, so they remain affordable rather than the price being set by the market.
- 3.14 Key principles of Community Led Housing have been set out by Community-Led Housing London:
- 3.14.1 Meaningful community engagement and consent occurs throughout the development process. Communities do not necessarily have to initiate a scheme, or build homes themselves, though some do;
 - 3.14.2 There is a presumption that the community group or organisation will take a long-term formal role in the ownership, stewardship, or management of the homes; and
 - 3.14.3 The benefits of the scheme to the local area and/or specified community group are clearly defined and legally protected in perpetuity.

4. Proposals

New family-sized homes for Newham residents

- 4.1 The E16 CLT board have worked with CLT members, local residents, and architects to work up a proposal for a housing development on the garage site at Blake Road. They have been supported by Community Led Housing London, in particular through project management expertise.

- 4.2 The initial scheme prioritises affordable family sized homes and proposes a total of 9 homes, including 2 and 3 bed flats and 3 bed maisonettes. The initial design and feasibility study were developed by a team from Citizens Design Bureau, which was funded by the GLA's Community Housing Fund, via Community Led Housing London.
- 4.3 The delivery of the new homes would involve the demolition of the existing derelict garages.
- 4.4 The proposed tenure for the initial homes is a type of affordable ownership in which the price of the homes is based on median incomes for households in Newham. Current viability is placing prices at around 60% of the price of an equivalent home on the open market. This tenure has already been developed and tested elsewhere in London and has been recognised by the GLA for the purposes of grant funding and by Nationwide and Ecology Building Societies for the purposes of mortgage lending.
- 4.5 One of the aims of this tenure is to ensure that households pay no more than 1/3 of their monthly take-home pay on mortgage repayments. The table below gives an indication of the kinds of prices residents may expect to pay for a CLT home, together with how much their monthly repayments might be and how much deposit might be required.

Unit type	Indicative Full Market Value	Sale price	Indicative percentage of Open Market Value	Deposit required on sale price	Yr1 Monthly repayments
2b3p Flat	£415,000	£223,000	54%	£10,600	£1,141
3b4p Flat	£500,000	£291,000	58%	£13,870	£1,492
3b4p Maisonette	£525,000	£308,000	59%	£14,690	£1,580

- 4.6 Additionally, the homes will remain affordable in perpetuity as households wishing to sell will only be able to sell on at the original price plus any uplift in local incomes since the time of their purchase. On each resident sale, E16 CLT will have a 6-month period to nominate the next owner based on an assessment of applicants' eligibility and housing need under their allocations policy. London CLT has recently seen its second resale at the St Clements development in Tower Hamlets, and the same process and procedure is intended to apply at E16 CLT's scheme. The formula for calculating the resale value is contained within the lease agreement and references official statistics on Newham income levels.
- 4.7 The allocation of new homes will be undertaken by E16 CLT, and applicants will be required to be a member of E16 CLT and have a very strong local connection to the E16 area, such as being an existing resident or working in the area. There will be a maximum household earning threshold as is common with intermediate housing tenures, but residents will be required to demonstrate that they could obtain a mortgage for the properties. The E16 CLT will be advised by the Council to conduct an equalities impact assessment (EqIA) to ensure that their approach

to allocations meets local housing needs and the housing needs of Newham's diverse population.

- 4.8 The aim is to provide a form of housing accessible to those who would like to own their own home and to stay within their local community, but currently cannot afford to buy a property in Newham. This is currently not a cohort that is well-served by the current housing market or likely to be allocated a property through the Council's housing register.
- 4.9 This tenure is different from Shared Ownership, the most common form of low cost home ownership, because buyers of Shared Ownership homes can purchase additional shares up to 100% of the value of the home. This means that the home is no longer low cost housing, and is "lost" as affordable housing. The CLT model means that homes are permanently kept at affordable rates, meaning that future generations will see the benefit of these homes.
- 4.10 Another big difference to Shared Ownership is the absence of a rental agreement and long-term resident control over their property, meaning, for example, no unexpected rent or service charge increases.
- 4.11 Initial community feedback has indicated a high demand for affordable rent homes, therefore E16 CLT wishes to retain the flexibility to change some or all of the homes to an affordable rent tenure managed in collaboration with a registered provider.
- 4.12 The delivery of 9 new homes for local residents, all affordable in perpetuity and including family-sized homes, is considered to be of much greater benefit to the Council than the £490k gained by disposal to a private developer where 50% of the new homes would be an affordable tenure. It also offers better value for money than the Council developing the site itself, given the high cost of delivering a family-sized affordable home.

Roles and responsibilities

- 4.13 It is proposed that the CLT provides the development finance and manages the development and construction of the new homes on the Land in exchange for the Council providing them with the land at the value of £10.
- 4.14 E16 CLT is responsible for developing a viable proposal for the Land and securing planning permission. An appraisal of the current scheme, undertaken with support from a cost consultant and Community Led Housing London, has indicated that the current proposal is viable, assuming the following:
 - 4.14.1 **Tenure:** Median Income Ownership (a form of Discount Market Sale) as set out in 4.4 above
 - 4.14.2 **Grant:** A GLA Community Housing Fund or Affordable Homes Programme capital grant of £100k per unit is assumed. This is a conservative estimate, with current negotiated rates for comparable schemes in London securing around £140k. Also assumed is a roughly £300k revenue grant (at risk but repayable from the capital grant), which would be secured with support from CLH London from either the GLA Community Housing Fund or a social investor such as CAF Venturesome.

4.14.3 **Build cost:** Current estimates have priced a per sqm rate of £3,279, excluding fees, contingency etc. This estimate is in line with expectations and is reflective of the small nature of the scheme and assumptions have been provided by a specialist cost consultant

4.14.4 **Interest (development finance):** A blended rate of 8% is assumed.

- 4.15 All cost assumptions will be revised and updated as the scheme develops, and will be assessed by Council officers.
- 4.16 E16 CLT is also responsible for engaging with the local residents in the E16 area and building community support for the scheme. Development of the final design and the decision on the mix between median income ownership and affordable rent tenures will incorporate feedback from community consultation events.
- 4.17 The key benefit of the scheme for the Council is that the Land, which currently has no Council-led plans for redevelopment, could deliver much-needed housing specifically for Newham residents who are otherwise priced out of the market. The scarce supply of social rented housing, and the high costs and insecurity of the private rented sector, mean that there is a key opportunity to support alternative housing delivery models. CLT homes like this are protected as affordable housing in perpetuity, meaning that they will continue to provide a crucial community resource for future generations.
- 4.18 Further, the proposed development would bring the land into productive use – currently it attracts antisocial behaviour and fly-tipping.

Disposal

4.19 This report seeks approval to grant an AFL and lease to E16 CLT on the draft terms (as shown at Appendix 1), the principal provisions of which show:

4.20 Terms of disposal

4.21 E16 CLT (the tenant) will be granted an Agreement for Lease that will transfer into a long lease subject to an acceptable conclusion as assessed by the Council of:

- (i) Local consultation
- (ii) satisfactory planning consent
- (iii) funding approval
- (iv) commencement on site of construction works
- (v) a long stop date of 5 years from the date of the AFL terminating the AFL if E16 CLT fail to comply with the conditions.

4.16.2 Lease

- (i) a premium of £10.00
- (ii) a term of 250 years
- (iii) a peppercorn rent
- (iv) permitted use – affordable housing Median Income Ownership discount market sale (or such other use subject to the Council's consent and a premium for any uplift in value).

- 4.22 The Tenant (E16 CLT) will take over all the responsibilities of the Site and buildings to be constructed.
- 4.23 The transaction is considered to meet the Council's obligations for the disposal of housing land and this is supported by:
- (i) the valuation of the land at nil value (if restricted to affordable housing use) and the Building a Fairer Newham Corporate Plan, which supports the delivery of CLTs in Newham;
 - (ii) the non-competition agreement in place between all known CLT groups in the area (E16 CLT, London CLT and Newham Citizens) also means there would be nothing to gain from the cost and time involved in a tender process;
 - (iii) although there is the possibility of disposing of the land for a capital receipt, as shown for a variety of tenures at Exempt Appendix 2, the Council considers that the CLT's proposal for a new affordable tenure would meet a housing need in the Borough and that use of the Land in this way will further the Council's policy and priorities outlined in section 5 below;
- 4.24 This independent valuation has been considered and is supported by the Director of Property.
- 4.25 As set out in Exempt Appendix 1, the Council will not enter into any lease until satisfied that scheme can viably be delivered. Evidence that the scheme can viably be delivered will include proof of a loan facility or confirmation of grant

Next steps

- 4.26 The AFL will allow E16 CLT to apply for planning permission for the scheme. The AFL will also provide assurance of the Council's commitment to the project, for potential funders and lenders.
- 4.27 The CLT will also develop an engagement strategy with the following aims:
- 4.27.1 building the capacity of CLT members to participate in project decision-making, including design, allocations and housing management;
 - 4.27.2 consulting on the design process and any unforeseen impacts of the scheme with neighbouring households, including tenants and leaseholders in the Council-owned block on Clifford Road; and
 - 4.27.3 building local interest in the scheme and increasing the membership in the CLT with a view to identifying future occupiers.
- 4.28 To date, the majority of the CLT's organising and community engagement has been based in Custom House and the E16 postcode area. A key aim associated with the Land is to build and strengthen links with the community in Canning Town, where the Land is located.

Appropriation

- 4.29 This report seeks to approve the delegation to appropriate the Land to officers. The site plan in Appendix 3 shows the area that may be appropriated for planning purposes subject to preconditions.
- 4.30 As a matter of law, councils hold or own land for a particular statutory purpose. If they want to hold the land for a different purpose, they must formally appropriate the land to that purpose. Appropriation is a statutory process that allows the Council, following consultation, to change the purpose for which it holds property in its ownership from one purpose to another.
- 4.31 Councils are authorised to appropriate land for planning purposes. By formally appropriating the land for planning purposes subject to section 241 Town and Country Planning Act 1990, the Council (or any other person) may develop the land in accordance with a planning permission.
- 4.32 The Council should only propose to appropriate land for planning purposes if it has an intention to see the land used for development that promotes or improves the economic, social or environmental wellbeing of its area and believes that the appropriation is needed in order to facilitate or achieve any of these aims.
- 4.33 The Council intends to see the land used for development, subject to securing planning and any other relevant authorisations.
- 4.34 A Council is authorised to appropriate land that it owns. However, if the land is used as public open space, which is legally defined as “any land laid out as a public garden or used for the purposes of public recreation” the Council must advertise its intention to appropriate the land for two successive weeks in a newspaper circulating in the area. It must then consider any objections made to the intended appropriation.

5. Delivering Council Policy and Corporate Priorities

- 5.1 This proposal supports Priority 5 of Building a Fairer Newham: Newham’s Corporate Delivery Plan, which focusses on housing. In particular, it closely aligns with two of the delivery priorities, namely:
- 5.1.1 “Maintain momentum on our house building programme” – although not being delivered directly through the Council, the scheme will contribute to the delivery of new homes in the Borough
 - 5.1.2 “Follow through on the major resident ballots and continue to embed co-production at the heart of our approach to housing delivery” – the CLT model has co-production at its core, arguably going further than co-production with resident-led design and delivery.
- 5.2 It also supports Priority 7: People powered Newham and widening participation, by supporting a residents group to take a leading role in new housing delivery.

6. Alternatives Considered

- 6.1 Developing the Land ourselves: although the Council has a strategic programme of small site development ([Cabinet report July 2023](#)), this Land was not identified as one that the Council would benefit from building out itself.
- 6.2 Disposal of the land for profit: this option was rejected because of the potential social value generated by disposing of the land to the CLT. As set out in 8.1.2, the expected income for the site if developed with 50% affordable would be

£490k, which is considered by the Council to be of less value than the delivery of 9 new homes which will be affordable to local residents in perpetuity.

- 6.3 Do nothing: doing nothing would continue to attract antisocial behaviour to the Land, as well as failing to make use of a key Council asset at a time of unprecedented financial pressures and housing need.

7. Consultation

- 7.1 The proposed development of the Land has been discussed at regular meetings held between the Council (with the Mayor and Lead Member for Housing in attendance) and Newham Citizens including:
- 7.1.1 6th August 2024;
 - 7.1.2 13th December 2023; and
 - 7.1.3 15th June 2023.
- 7.2 There has also been a discussion at a meeting with the Mayor and Cabinet members on 17th October 2024
- 7.3 As noted in 4.23-4 above, a wider programme of engagement and consultation with the local community is planned over the following 12-18 months, if approved.
- 7.4 As noted in 3.3-4 and 4.1 above, the E16 CLT is embedded in Newham's communities and their plans to date have had involvement from residents at its heart, as well being closely linked to the work of other organisations in the voluntary, community and faith sector.

8. Implications

8.1 Financial Implications

- 8.1.1 This report seeks approval to dispose of land for the value set out in Exempt Appendix 2. Independent valuations carried out for this property confirms best value for the proposed use, the reasons for this have been set out in section 4.11 - 4.13.
- 8.1.2 A professional valuation has been obtained which provides a market value of £490k for the land, assuming that planning could be obtained by the purchaser at a mix of 50% affordable housing and 50% private tenure. If the Council were to sell the land on the open market and achieve this amount the capital receipt received would generate ongoing annual revenue savings of £29k.
- 8.1.3 However, if the council were to develop the land itself, it would need to invest significantly in development costs, including construction, planning, and project management. The council does not currently have the capital resources available to undertake this development.

8.2 Legal Implications

Appropriation

- 8.2.1 The Council may seek to appropriate land for planning purposes under section 122 Local Government Act 1972 (“LGA 1972”) to enable development.
- 8.2.2 Section 122 LGA 1972 enables the Council to appropriate (transfer) land it owns from one use to another, as long as (1) the new use is for a purpose it could have purchased the land and (2) the land is no longer required to be held for the purpose for which it is held immediately before the appropriation. The Council must therefore, consider whether the land is no longer needed for the purpose for which it is currently held if it is to be appropriated for planning purposes.
- 8.2.3 The meaning of the words “no longer required for the purpose for which it was held immediately before the appropriation” in law means “not required” or “not needed in the public interest of the locality”.
- 8.2.4 The appropriation for planning purposes, in this instance, should follow the process set out in section 122(2A) LGA 1972. This involves placing a notice in two consecutive editions of a local weekly newspaper and the formal consideration of any representations made in response to the notice. There is a legal duty to consider such representations fully and properly.
- 8.2.5 Appropriation of the land for “planning purposes” (in order to engage the provisions of section 203 Planning and Housing Act 2016 (“PHA 2016”)) requires the Council to consider the following factors, that is, whether:
- the appropriation will facilitate the carrying out of development, redevelopment or improvement on or in relation to the land or is required for a purpose which it is necessary to achieve in the interests of the proper planning of an area in which the land is situated;
 - the proposed development, re-development or improvement will contribute to the promotion or improvement of the economic, social and/or environmental well-being of the area;
 - it is in the public interest that the proposed development should be carried out, having regard to the provisions of the development plan, whether planning permission is in force and any other considerations that would be material to the determination of a planning application for development of the land; and
 - as noted above, whether the land is no longer required for the original purpose for which it was acquired
- 8.2.6 “Planning purposes” is defined in section 246(1) Town and Country Planning Act 1990 (“TCPA 1990”) and acquisition for such purposes includes acquisition under section 226 or section 227 TCPA 1990.
- 8.2.7 Where land is appropriated for planning purposes, it is then held by the Council under the statutory provisions of Part 9 of the TCPA 1990. The consequence is that the erection, construction or carrying out of any maintenance or any building or work on the land and subsequent use of the land is authorised under those planning powers, if the works are done in accordance with planning permission, even if they interfere with third party rights.
- 8.2.8 The purpose of section 203 PHA 2016 is to ensure that where land has been appropriated for planning purposes, and provided that work is done in accordance with planning permission, then existing rights, which could prevent

the development of that land from proceeding, can be overridden. The rights are overridden whether the Council or another person carries out the development. Persons who would otherwise benefit from those rights are entitled to claim compensation for the interference from the person carrying out the development.

- 8.2.9 Section 122(2A) LGA 1972 requires that before appropriating any land consisting or forming part of open space the Council must advertise the proposed appropriation in two consecutive editions of a local newspaper and consider any objections received in response.

Disposal

- 8.2.10 The Council has powers under Section 123(1) of the Local Government Act 1972 to dispose of land in any manner it wishes, subject to subsection 123(2) which provides that land should not be disposed of for less than best consideration on a transfer of the freehold or lease of more than 7 years.
- 8.2.11 The Council also has powers under section 32(1) of the Housing Act 1985 (“HA 1985”) which provides that local authorities have the power to dispose of HRA land. Section 32(2) of the HA 1985 provides that any disposal under section 32 requires the consent of the Secretary of State.
- 8.2.12 The Secretary of State has issued a number of general consents enabling local authorities to dispose of HRA land in certain circumstances without the need for making a specific application to the Secretary of State for consent.
- 8.2.13 The Council has the power to grant the lease of the Land as proposed by this report pursuant to The General Consent for the Disposal of Land held for the purposes of Part II of the Housing Act 1985 9”the Consent”).
- 8.2.14 Paragraph A3.2 of the Consent permits the Council to dispose of vacant land. Vacant land means either land on which there are no dwellings or if there are dwellings that these have been demolished or are no longer capable of human habitation and are due to be demolished. Further to this, paragraph 3.2 permits local authorities to dispose of vacant land at any price determined by the local authority.
- 8.2.15 The Consent also removes the requirement for the Council to seek specific consent from the Secretary of State for any disposal of land where the Council considers that the purpose for which the land is to be disposed is likely to contribute to the achievement of any one or more:
- (a) the promotion or improvement of social well-being;
 - (b) the promotion or improvement of environmental well-being of the borough or its inhabitants and the “undervalue” (i.e. the difference between the unrestricted value of the interest to be disposed of and the consideration accepted) is £2,000,000 or less.
- 8.2.16 This report indicates that the Council has evidenced that its fiduciary duty has been properly discharged by deciding to dispose of the Land for a premium of £10.00 and on a peppercorn rent, coupled with the fact that the proposed

disposal of the Land falls within the terms of the General Disposal Consent and the Council has ensured that it complies with normal and prudent commercial practices, including obtaining the independent valuation.

8.3 Equalities Implications

- 8.3.1 The Council has to take account of its Equalities Duties under the Equality Act 2010, in particular to eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by the Act; Advance equality of opportunity between persons who share a relevant protected characteristic and person who do not share it; foster good relations between equalities groups
- 8.3.2 Sections 20 and 149 of the Equality Act are relevant to these proposals. Section 20 of the Act requires public authorities to take steps to make reasonable adjustments where a physical feature creates a substantial disadvantage to disabled people in comparison with those who are not disabled. The scheme should take into account the physical access requirements of disabled residents and visitors and endeavour to advance accessibility. The initial proposal by E16 CLT identifies one wheelchair accessible home within the scheme of 9 homes, which complies with Newham's requirements within the Local Plan. The E16 CLT will be advised by the Council to conduct an equalities impact assessment (EqIA) to ensure that their approach to allocations meets local housing needs and the housing needs of Newham's diverse population.

8.4 Climate Emergency Implication

- 8.4.1 New homes provided under this proposal will be energy efficient and meet planning requirements set by LB Newham as planning authority. This will support the position of future residents, who may be experiencing fuel poverty in their present accommodation.

9. Background Information Used in the Preparation of this Report

- 9.1 [Small Sites Options Appraisals and Modular construction Cabinet Report, July 2023](#)
- 9.2 [Building a Fairer Newham Performance Report 23/24, Cabinet Report, July 2024](#)