

<b>Committee:</b>  <b>Overview and Scrutiny Committee</b>	<b>Date:</b>  <b>2 August 2011</b>	<b>Classification:</b>  <b>Unrestricted</b>	<b>Report No.</b>	<b>Agenda Item No.</b>
<b>Report of:</b> <b>Assistant Chief Executive</b>			<b>Title: Motion - Housing Sales Phases 2 and 3</b>	
<b>Originating Officer(s):</b>			<b>Wards: All</b>	

## 1. SUMMARY

- 1.1 The motion, printed at Sections 3 and 4 of this report was presented at Full Council on 13 July 2011 and referred for consideration to Overview and Scrutiny Committee.

## 2. RECOMMENDATION

- 2.1 That Overview and Scrutiny Committee consider the motion referred by Council as set out in paragraph 4.2 of this report.

## 3. BACKGROUND

- 3.1 Councillors Judith Gardiner and Helal Uddin submitted the following motion at the Council's meeting on 13 July 2011, in accordance with the Council's procedures:

### **12.5 Housing Sales Phases 2 and 3**

**Proposer: Councillor Judith Gardiner**

**Seconder: Councillor Helal Uddin**

*This Council notes that:*

*2 Tower Hamlets has amongst the highest levels of housing need in London with the waiting list standing at about 23,000 households. Of these, over 1,677 households need a home with four bedrooms or more.*

*3 Despite this, in December 2010, the newly elected Mayor and his Cabinet agreed to dispose of 5 properties in Swaton Road and two other properties – 19 Parfett St (a 6 bed house) 102 Tredegar Road. In April 2011 the Cabinet also agreed to dispose of 63A Sewardstone Road - on the open market by auction.*

*4 A further 12 properties in Bruce Road, Old Ford Road and Mount Terrace have also been identified for sale.*

*5 The sales of Swaton Road properties have now taken place and have achieved some £1.6m, the sale of 19 Parfett St, 102 Tredegar Road and 63A Sewardstone Road have already been advertised.*

*This Council believes*

- 1. That given the desperate need for family size and street level properties in this Borough, disposal of such properties should be halted.*
- 2. That it was wrong for the Mayor to reverse the Labour cabinet's decision to seek to maintain family sized homes as social housing and instead sell them to the highest bidder.*

*This Council therefore calls upon the Mayor to ensure*

- 1. That receipts from any such sales are ring-fenced for the provision of new family size homes, preferably in the areas where these homes are being lost, rather than for other housing purposes.*

At the meeting, Councillor Judith Gardiner moved, and Councillor Helal Uddin seconded, the motion.

#### **4. REFERRAL BY COUNCIL**

- 4.1 The draft minute is printed below and refers the motion to the Overview and Scrutiny Committee for consideration.
- 4.2 Council considered the motion. Councillor Timothy Archer proposed, and Councillor Peter Golds seconded, a procedural motion under Rule 14.1.4 as follows:- : "That the matters detailed in this motion be referred to the Overview and Scrutiny Committee for consideration." This procedural motion was put to the vote and was agreed.

#### **12.5 Motion proposed by Councillor Judith Gardiner regarding Housing Sales Phases 2 and 3**

*Councillor Judith Gardiner moved, and Councillor Helal Uddin seconded, the motion as printed in the agenda.*

*Councillor Timothy Archer proposed, and Councillor Peter Golds seconded, a procedural motion under Rule 14.1.4 as follows:- : "That the matters detailed in this motion be referred to the Overview and Scrutiny Committee for consideration." This procedural motion was put to the vote and was agreed.*

*The substantive motion was then put to the vote and was agreed as follows:-*

### **DECISION**

#### ***This Council notes that:***

- 1. Tower Hamlets has amongst the highest levels of housing need in London with the waiting list standing at about 23,000 households. Of these, over 1,677 households need a home with four bedrooms or more.*
- 2. Despite this, in December 2010, the newly elected Mayor and his Cabinet agreed to dispose of 5 properties in Swaton Road and two other properties – 19 Parfett St (a 6 bed house) 102 Tredegar Road. In April 2011 the Cabinet also agreed to dispose of 63A Sewardstone Road - on the open market by auction.*
- 3. A further 12 properties in Bruce Road, Old Ford Road and Mount Terrace have also been identified for sale.*
- 4. The sales of Swaton Road properties have now taken place and have achieved some £1.6m, the sale of 19 Parfett St, 102 Tredegar Road and 63A Sewardstone Road have already been advertised.*

#### ***This Council believes***

- 1. That given the desperate need for family size and street level properties in this Borough, disposal of such properties should be halted.*
- 2. That it was wrong for the Mayor to reverse the Labour cabinet's decision to seek to maintain family sized homes as social housing and instead sell them to the highest bidder.*

#### ***This Council therefore calls upon the Mayor to ensure***

- 1. That receipts from any such sales are ring-fenced for the provision of new family size homes, preferably in the areas where these homes are being lost, rather than for other housing purposes.*

*(Action by: Aman Dalvi, Corporate Director, Development & Renewal)*

*That the matters detailed in the motion above be referred to the Overview and Scrutiny Committee for consideration.*

(Action by: John S Williams, Service Head, Democratic Services)

**5. COMMENTS OF THE CHIEF FINANCIAL OFFICER**

- 5.1 This report considers the motion that was presented at Council on 13 July 2011 relating to the use of receipts from the disposal of former short-life Housing Revenue Account dwellings.
- 5.2 The property disposals highlighted in this report were previously approved by Cabinet following a detailed financial appraisal on a case by case basis. In these particular instances it was considered not to be cost effective to repair or renovate the properties due to the significant outlay involved and the extended “payback” period over which the capital costs would be recovered from net rental income. This payback period extended to up to 36 years in the case of the five Swaton Road properties.
- 5.3 Both Cabinet reports agreed “to use the resources generated from the open market sales for further affordable housing or regeneration schemes within the borough.” The receipts from these sales have however not yet been specifically applied or committed within the capital resources available to the Council, so there is flexibility to specify more detailed conditions for the use of the receipts as necessary.

**6. CONCURRENT REPORT OF THE ASSISTANT CHIEF EXECUTIVE (LEGAL)**

- a. Article 6 of the Council’s Constitution sets out the terms of reference of the Overview and Scrutiny Committee. It provides, amongst other things, that the Overview and Scrutiny Committee may consider any matter affecting the area or its inhabitants and may make reports and recommendations to the Full Council or the Executive in connection with the discharge of any functions.
- b. Full Council has asked that the Overview and Scrutiny Committee considers the content of its motion as detailed in this report. It is for the Committee to determine whether it wishes to include work in relation to the matter raised by Full Council in its work programme and, if so, how that work will be dealt with.

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**Local Government Act, 1972 Section 100D (As amended)  
List of “Background Papers” used in the preparation of this report**

Brief description of “background paper”	Name and telephone number of holder and address where open to inspection
None	N/A