

Committee	Date	Classification	Report No.	Agenda Item No.
OVERVIEW AND SCRUTINY	4 December 2007	Unrestricted		6.1
Report of: Corporate Director of Development and Renewal		REPORT “CALLED IN” –) Ward(s) affected: Blackwall and Cubit Town; Bromley by Bow; Mile End East; Spitalfields and Banglatown;		
Originating Officer(s): Jackie Odunoye (Interim Service Head Housing Strategy & Development) / Niall McGowan (Housing Regeneration Manager)				

1. SUMMARY

- 1.1 The attached report of the Interim Service Head of Housing Strategy, Jackie Odunoye and Housing Regeneration Manger Niall McGowan, was considered by the Cabinet on 7 November 2007 but has been “Called In” for further consideration by Councillors Tim Archer, Simon Rouse, Emma Jones, Rupert Eckhardt and Shirley Houghton in accordance with the provisions of Part 4 of the Council’s Constitution.

2. RECOMMENDATION

- 2.1 That the Committee consider the contents of the attached report, review the Cabinet’s provisional decisions arising and decide whether to accept them or refer the matter back to Cabinet with proposals, together with reasons.

Brief description of "background paper"

Cabinet report (CAB58/078)

**Name and telephone number of holder
and address where open to inspection**

**Mark Redhead
020 7364 4877**

3. BACKGROUND

3.1 The attached report of the Interim Service Head of Housing Strategy, Jackie Odunoye and Housing Regeneration Manager Niall McGowan, was considered by the Cabinet on 7 November 2007 but has been “Called In” for further consideration by Councillors Tim Archer, Simon Rouse, Emma Jones, Rupert Eckhardt and Shirley Houghton in accordance with the provisions of Part 4 of the Council’s Constitution.

3.2 The Cabinet after considering the attached report provisionally agreed:-

1. That the Corporate Director of Development and Renewal, after consultation with the Lead Member Regeneration, Localisation and Community Partnerships, be authorised to take all necessary steps including the making of Compulsory Purchase Orders (CPOs), General Vesting Declarations or Notices to Treat, to ensure that the leasehold interests in respect of Crossways, Leopold, Bow Bridge, Holland, Christchurch and British Street Estates, identified at Appendix 1 to the report (CAB 068/078), shall be acquired by Compulsory Purchase Orders, if necessary;
2. That the Corporate Director of Development and Renewal be authorised to include, in any of the CPOs referred to in resolution 1. above, the acquisition of any other leasehold or freehold interests granted to assured tenants within the blocks or streets requiring decant for regeneration of the estates (also referred to in resolution 1. above), between consideration of the report and the making of the CPO;
3. That it be noted that the authorisation of the Corporate Director of Development and Renewal to make the CPOs referred to in resolutions 1. and 2. above, shall include determination as to whether any individual Order shall be made under the provisions of Section 17 Housing Act 1985, or Section 226 Town and Country Planning Act 1990, as detailed in paragraphs 4.24 to 4.27 of the report (CAB 068/078), should the Assistant Chief Executive (Legal Services) consider this appropriate;
4. That the use of CPO powers in the cases where this is recommended in the report (CAB 068/078) is exercised after balancing the rights of the individual property owner with the requirement to obtain possession in the public interest; and
5. That the interference with the human rights of the property owners affected by these proposals, and in particular their rights to a home and to the ownership of property, is proportionate, given the adequacy of their rights to object and to compensation, and the benefit to the economic, social and environmental well being of the areas of Tower Hamlets affected by these proposals.

4. THE “CALL IN” REQUISITION

4.1 The reasons advanced in the “Call In” requisition are set out below:

- The Cabinet decision gives delegated power to an Officer to agree the Compulsory Purchase Orders of up to 102 homes and businesses in the Borough. This power

is one of the most draconian powers that the council has and it should be used only as a last resort;

- So far as a result of negotiations between freeholders/leaseholders and their respective Residential Social Landlords, less than half have so far agreed a negotiated settlement. Negotiated settlements should be seen as the preferred option and are to be encouraged in place of Compulsory Purchase Orders (CPOs).
- It should be noted that leaseholders' votes in the stock transfer process did not count towards the overall success or otherwise of the ballot. As a result it is possible that many leaseholders have not had an effective say on the future that their estate is now taking. Many leaseholders may not support the planned regeneration of their estates nor voted for it. They will, however, have to face the costs of it if their homes are compulsorily repurchased.
- The call-in members believe that this cabinet decision delegates too much decision making authority to Officers and removes too much accountability for decisions away from the Cabinet.
- The call-in members also believe that agreeing without any conditions or checkpoints to the use of CPOs sends the wrong signals to the RSLs. It implies that they need not focus their efforts on reaching negotiated settlements with their freeholders/leaseholders as it implies they can rely on the powers of CPO to force residents to give up their homes.
- The call-in members believe that the Cabinet has a duty of care towards its residents to seek a further update before any CPO orders are granted.

5. ALTERNATIVE COURSE OF ACTION

5.1 In accordance with the Committee's procedures, the "Call In" Members have provided an alternative course of action for consideration:-

- That this item be represented to Cabinet with a further update on the progress of negotiated settlements before any CPOs are issued. This will enable transparency as to how effective the RSLs are being at actually reaching negotiated settlements rather than relying on the power of CPOs.
- That Cabinet specifically agrees the issuing of CPOs for each estate, rather than delegating this decision in its entirety to an Officer.

6. CONSIDERATION OF THE "CALL IN"

6.1 The following procedure is to be followed for consideration of the "Call In".

- (a) Presentation of the "Call In" by one of the "Call In" Members followed by questions.

- (b) Response from the Lead Member/officers followed by questions.
- (c) General debate followed by decision.

N.B. – In accordance with the Overview and Scrutiny Committee Protocols and Guidance adopted by the Committee at its meeting on 6 June, 2007, the “Call In” Members are not allowed to participate in the general debate.

- 6.2 It is open to the Committee to either resolve to take no action which would have the effect of endorsing the original Cabinet decisions, or the Committee could refer the matter back to the Cabinet for further consideration setting out the nature of its concerns and possibly recommending an alternative course of action.

7. RECOMMENDATION

- 7.1 That the Committee consider the contents of the attached report, review the Cabinet’s provisional decisions arising and decide whether to accept them or refer the matter back to Cabinet with proposals, together with reasons.