


<b>Individual Commissioner Decision Proforma</b>  Decision Log No: ____	 <b>TOWER HAMLETS</b>
<b>Report of:</b> Corporate Director, Development & Renewal	<b>Classification:</b> Unrestricted
<b>Handover (disposal) of land interests acquired by Compulsory Purchase Order (CPO) to and on behalf of Swan Housing (Hackworth Point &amp; Mallard Point)</b>	

<b>Is this a Key Decision?</b>	No
<b>Decision Notice Publication Date:</b>	N/A
<b>General Exception or Urgency Notice published?</b>	N/A
<b>Restrictions:</b>	None

## EXECUTIVE SUMMARY

The disposal proposal set out in this report was agreed by Cabinet on 4<sup>th</sup> March 2015. The Commissioners are asked to note that the disposal of the listed land interests to Swan Housing at nil value fulfils a contractual commitment.

This report explains that it is necessary to formally transfer to Swan Housing, 12 land interests, following the completion by the council of a Compulsory Purchase Order (CPO) process on the former Crossways Estate (now known as "Bow Cross"). There is a long-standing requirement for the Council to transfer these interests to Swan, as part of the estate transfer/regeneration agreement in 2005.

This is a paper exercise to formally end the leasehold interests of these properties, which are still registered at the Land Registry following their vesting to the Council at the conclusion of a CPO process in 2009. Although the council was contractually obliged to complete the CPO on Swan's behalf, Swan paid the owners compensation for the properties and successfully took possession. The action required will rectify the anomaly wherein the council retains titles to properties which have actually been acquired by Swan. This action is essential to enable Swan to take full ownership of the properties, which include flats on which private sales are due to complete, as the final stage of the regeneration programme.

Full details of the decision sought, including setting out the reasons for the recommendations and/or all the options put forward; other options considered; background information; the comments of the Chief Finance Officer; the concurrent report of the Head of Legal Services; implications for One Tower

Hamlets; Risk Assessment; Background Documents; and other relevant matters are set out in the attached report.

## DECISION

The Commissioners are recommended to:

1. Note that the council intends to transfer to Swan Housing at nil consideration, of the following land interests acquired under Compulsory Purchase Order, for the purpose of delivering the Crossways Regeneration Scheme (Single Regeneration Budget 6):
  - No. 10 Hackworth Point, Rainhill Way, E3 3ET;
  - No. 91 Hackworth Point, Rainhill Way, E3 3EX;
  - No's. 6,12,16,26,31 Mallard Point, Rainhill Way E3 3JE;
  - No's 53,56,59,68,91 Mallard Point Rainhill Way, E3 3JF

## APPROVALS

1. (If applicable) Corporate Director proposing the decision or his/her deputy

I approve the attached report and proposed decision above for submission to the Commissioners.

Name JACKIE ODUNOYE Signed 

Date 18/3/2015

2. Commissioner


I agree the decision proposed in paragraph above for the reasons set out in paragraph 1.1, 1.2 and 1.3 in the attached report.

Name K KNIGHT Signed 

Date 18.3.15

Name MAX CALVERT Signed 

Date 18/3/15

<b>Commissioner Decision Report</b> 18 March 2015	 <b>TOWER HAMLETS</b>
<b>Report of:</b> Aman Dalvi, Corporate Director Development & Renewal	<b>Classification:</b> Unrestricted
<b>Handover (disposal) of land interests acquired by Compulsory Purchase Order (CPO) to and on behalf of Swan Housing (Hackworth Point &amp; Mallard Point)</b>	

<b>Originating Officer(s)</b>	Robin Sager
<b>Wards affected</b>	Bromley North
<b>Key Decision?</b>	No
<b>Community Plan Theme</b>	A Great Place to Live

### Executive Summary

The disposal proposal set out in this report was agreed by Cabinet on 4<sup>th</sup> March 2015. The Commissioners are asked to note that the disposal of the listed land interests to Swan Housing at nil value fulfils a contractual commitment.

This report explains that it is necessary to formally transfer to Swan Housing, 12 land interests, following the completion by the council of a Compulsory Purchase Order (CPO) process on the former Crossways Estate (now known as "Bow Cross"). There is a long-standing requirement for the Council to transfer these interests to Swan, as part of the estate transfer/regeneration agreement in 2005.

This is a paper exercise to formally end the leasehold interests of these properties, which are still registered at the Land Registry following their vesting to the Council at the conclusion of a CPO process in 2009. Although the council was contractually obliged to complete the CPO on Swan's behalf, Swan paid the owners compensation for the properties and successfully took possession. The action required will rectify the anomaly wherein the council retains titles to properties which have actually been acquired by Swan. This action is essential to enable Swan to take full ownership of the properties, which include flats on which private sales are due to complete, as the final stage of the regeneration programme.

### Recommendations:

The Commissioners are recommended to:

1. Note that the council intends to transfer to Swan Housing at nil consideration, of the following land interests acquired under Compulsory Purchase Order, for the purpose of delivering the Crossways Regeneration Scheme (Single Regeneration Budget 6):

- No. 10 Hackworth Point, Rainhill Way, E3 3ET;
- No. 91 Hackworth Point , Rainhill Way, E3 3EX;
- No's. 6,12,16,26,31 Mallard Point, Rainhill Way E3 3JE;
- No's 53,56,59,68,91 Mallard Point Rainhill Way, E3 3JF

## **1. REASONS FOR THE DECISIONS**

- 1.1 The Council made the CPO on behalf of Swan, in support of its regeneration programme. The decision to transfer the land interests only arises because they have been vested in the council on making the General Vesting Declaration (GVD). All costs involved are being met separately by Swan and the Council does not have any interest in retaining these sites, since they form part of a major regeneration on an Estate owned and managed by Swan, following large scale voluntary stock transfer in 2005. This is set out in the Transfer Agreement, section 16.3, 'the Council shall acquire such interests and as soon as reasonably practicable following such acquisitions will transfer any freehold or leasehold interest on the same to the Company.'
- 1.2 There is a contractual requirement for the Council to transfer these interests to Swan, as part of the estate transfer/regeneration agreement in 2005.
- 1.3 Cabinet, at their meeting on 4<sup>th</sup> March 2015, agreed to the transfer of the properties to Swan Housing at nil consideration. Officers will verbally update the meeting to advise if the decision has been called-in. If it has, the Commissioners will be asked to refer their consideration of the report until it has been confirmed.

## **2. ALTERNATIVE OPTIONS**

- 2.1 There is no alternative option. These properties have only been technically vested with the council. Any delay in handover will have critical cost implications for the Registered Provider. The regeneration work carried out by Swan has fulfilled commitments made to the local community and to the council, when the estate was approved for stock transfer.

## **3. DETAILS OF REPORT**

- 3.1 Authorisation to compulsorily purchase leasehold properties in Hackworth Point and Mallard Point was provided by Cabinet on 7 November 2007 (Agenda Item 7.1).
- 3.2 The CPO was made by the Council as "Acquiring Authority", to support Swan's regeneration in the area. The CPO process was deemed necessary as a last resort, following repeated attempts by Swan Housing to consult and negotiate to seek possession of the remaining leasehold interests. Tower Hamlets Council used the compulsory purchase route to avoid disruption and jeopardy to the refurbishment programme to two tower blocks. A third block

had already been through an earlier CPO process following Cabinet approval (February 2005), and was refurbished with priority to rehouse existing tenants and leaseholders from this estate. All land interests acquired under the earlier CPO were transferred to Swan, exactly as proposed now.

- 3.3 The council was required under the terms of the stock transfer to run a CPO process to facilitate Swan's regeneration of the estate, as part of the Council sponsored SRB6 regeneration process, and to transfer those titles once vested with the council as the CPO Acquiring Authority. Normally now the onward disposal to an RSL partner would be covered in the Cabinet decision at the point that a CPO is agreed, but this was omitted at the time and a formal decision to dispose is thus required.
- 3.4 The Secretary of State for Communities and Local Government recommended that the London Borough of Tower Hamlets Crossways Estate (Hackworth Point and Mallard Point) Compulsory Purchase Order 2009 be confirmed without modification following a Public Inquiry.
- 3.5 The acquisition and CPO costs were met fully by Swan, and there is no financial implication for the Council. Any delay in transferring these interests to Swan will have critical cost implications for Swan, whose business plan for the regeneration of the estate was underpinned by the disposal of Mallard Point for cross-subsidy funding.
- 3.6 The Council made a General Vesting Declaration (GVD) on the land interests, which at that time had not been acquired. Dated 23 December 2009, the GVD's sum total of cumulative surrender values compensated by Swan was £1,172,234. Added costs were later incurred by Swan for two of the properties once full and final settlement had been negotiated, with a final total of compensation being **£1,195,351**.
- 3.7 Although the former leaseholders were compensated by Swan in compliance with CPO good practice, the leases vested in the Council as the statutory body exercising CPO powers. There is no cost implication to the council as the costs of acquiring the properties and making the CPO were paid for by Swan.
- 3.8 All of the sites vested with the council cannot be transferred under Director's Action provisions as whilst their individual purchase values fall below the £250,000 threshold, cumulatively the value of the sites exceeds this.
- 3.9 As a former Tower Hamlets Council owned and managed housing estate, Crossways (now known as "Bow Cross") transferred to Swan Housing on 21st March 2005 following a 'Housing Choice' large scale voluntary stock transfer ballot of tenants and leaseholders in October 2004. In a process managed by the Electoral Reform Society 90% of tenants and 88% of leaseholders voted 'Yes' to the transfer.

The following clauses in respect of the council's obligation to make a CPO were incorporated into the Transfer Agreement for the disposal of the

Crossways Estate to Swan, which was approved by Cabinet 9 February 2005. ('The Company' is defined as 'Swan Housing Association Limited'). The last sentence of clause 16.3 refers to the disposal for which this approval is being requested:

*16.1 The Council will if requested by the Company resolve to make the Compulsory Purchase Order in relation to any Third Party Interests relating to any part of the Property and will proceed with due diligence towards the Compulsory Purchase Order and apply for confirmation by the Secretary of State. The Company will pay the Council's CPO Costs as soon as reasonably practicable after request from the Council.*

*16.2 Following the making of the Compulsory Purchase Order the Council will use all reasonable endeavours to have the Compulsory Purchase Order confirmed by the Secretary of State. Following the date when the Compulsory Purchase Order becomes operative or (if later) free from any legal challenge the Council will vest in itself or otherwise acquire the CPO land and immediately following such acquisition will subject to the payment by the Company of any outstanding CPO Costs transfer any freehold or leasehold interest in the same to the Company.*

*16.3 Notwithstanding the foregoing provisions the Company will use all reasonable endeavours to negotiate and acquire by agreement all Third Party Interests as expeditiously as possible and, subject to payment by the Company of all reasonable and proper acquisition costs, including legal and other costs, which the Company have approved (such approval not to be unreasonably withheld or delayed prior to the covenant incurring the same) the Council shall acquire such interests and as soon as reasonably practicable following such acquisition will transfer any freehold or leasehold interest in the same to the Company.*

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- 3.10 The CPO was confirmed by the Secretary of State following a Public Inquiry held on 12 August 2009, The inspector on behalf of the Secretary of State for Communities and Local Government recommended that the LBTH Crossways Estate (Hackworth Point and Mallard Point) Compulsory Order 2009 be confirmed without modification as there was 'a compelling case in the public interest for the Order to be made'. Resident leaseholders were rehoused by Swan Housing in fully refurbished homes in neighbouring Priestman Point at no extra cost to them. Costs of land acquisition, compensation, and of making the CPO, were paid by Swan Housing.
- 3.11 The Council has not paid monies to acquire these sites and it was intended to CPO them for the purposes of transfer to support Swan Housing's scheme. There is no financial implication for the Council in transferring the vested land interests. Valuations for disposal purposes were made by Swan Housing's valuer, acting as the council's agent. The Hackworth Point properties, already refurbished and let as social rented homes, will be retained under Swan

Ownership. The Mallard Point properties were agreed with Tower Hamlets Council at the point of transfer to be refurbished for private sale, to cross subsidise the regeneration scheme. This penultimate phase of the project is nearing completion. The transfer of the titles acquired by the council through CPO is essential to enable Swan to take full ownership of those properties, including flats on which private sales are due to complete in Mallard, as the final stage of the regeneration programme.

- 3.12 The regeneration programme, which is now almost completed, fulfilled commitments made jointly by the council and Swan to the local community when the estate was approved for stock transfer in 2005: Swan has delivered the overall scheme, achieving 489 affordable homes (457 for social rent), including an additional 100 homes which were switched from private to affordable tenure, thus exceeding the targets for the scheme. An SRB theme of 'Connecting Communities' has reconnected the estate with the wider neighbouring communities by footpath improvements and a new strategic access road. A new housing office serving the estate is already operational as is a new community facility.
- 3.13 The scheme at Mallard for refurbishment to sell will be completing in December 2014. Swan now needs to issue completion of sale notices to the purchasers of the flats which have been pre-sold. Swan must have legal title for all of these properties or it would be in breach of contract with those buyers.
- 3.14 Income from the Mallard Point units for sale is critical to Swan's business plan and to achieving the cross subsidy that underpinned their forward-funding for the social and community elements of the regeneration.
- 3.15 Another potential knock-on effect of failing to transfer these titles now, apart from raising issues around breach of contract by the council, would, Swan argues, be the risk of delay to other Swan projects, including Swan's investment at Blackwall Reach in Tower Hamlets.
- 3.16 The Council is required to obtain the prior written agreement of the commissioners before entering into any commitment to dispose of, or otherwise transfer to third parties any real property other than existing domestic property for the purposes of residential occupation. In this case, the council has already entered into the commitment to dispose of the land interests to Swan, as per the transfer agreement and the Cabinet reports.
- 3.17 The transfer agreement and the relevant Cabinet reports are attached to this report.

## Appendix 1

**Bow Cross CPO Vesting Date Property Values (all purchase costs were met by Swan).**

### Hackworth Point :

10	<b>Market value</b>	<b>£84,000</b>
	<b>Home loss @10%.</b>	<b>£ 8,400</b>
	<b>Disturbance payment</b>	<b>£ 3,000</b>
	<b>Total</b>	<b>£95,400</b>
91	<b>Market value</b>	<b>£95,000</b>
	<b>Loss @7.5%.</b>	<b>£ 7,125</b>
	<b>Total offer</b>	<b>£102,125</b>

### Mallard Point:

6	<b>Market value</b>	<b>£83,150</b>
	<b>Home loss @10%.</b>	<b>£ 8,315</b>
	<b>Disturbance payment</b>	<b>£ 3,000</b>
	<b>Total</b>	<b>£94,465</b>
12	<b>Market value</b>	<b>£78,500</b>
	<b>Home loss @10%.</b>	<b>£ 7,850</b>
	<b>Disturbance payment</b>	<b>£ 3,000</b>
	<b>Total</b>	<b>£89,350</b>
16	<b>Market value</b>	<b>£78,500</b>
	<b>Home loss @10%.</b>	<b>£ 7,850</b>
	<b>Disturbance payment</b>	<b>£ 3,000</b>
	<b>Total</b>	<b>£89,350</b>
26	<b>Market value</b>	<b>£87,800</b>
	<b>Home loss @10%.</b>	<b>£ 8,780</b>
	<b>Disturbance payment</b>	<b>£ 3,000</b>
	<b>Total</b>	<b>£99,580</b>
31	<b>Market value</b>	<b>£90,100</b>
	<b>Home loss @10%.</b>	<b>£ 9,010</b>
	<b>Disturbance payment</b>	<b>£ 3,000</b>
	<b>Total</b>	<b>£102,110</b>
53	<b>Market value</b>	<b>£79,600</b>
	<b>Loss @7.5%%.</b>	<b>£ 5,970</b>
	<b>Total</b>	<b>£85,570 (Note: Settled as £107,000 in February 2010)</b>
56	<b>Market value</b>	<b>£87,750</b>



	<b>Loss @7.5%.</b>	<b>£ 6,581</b>
	<b>Total</b>	<b>£94,331</b>
59	<b>Market value</b>	<b>£92,400</b>
	<b>Home loss @10%.</b>	<b>£ 9,240</b>
	<b>Disturbance payment</b>	<b>£ 3,000</b>
	<b>Total</b>	<b>£104,640</b> (Note: Settled as £109,500 in September 2011)
68	Market Value	£97,500
	Loss Payment 7.5%	£7,313
	Disturbance	£3,000
	<b>Total</b>	<b>£107,813</b>
91	Market value	£95,000
	Loss payment	£9,500
	Disturbance	£3,000
	<b>Total</b>	<b>£107,500</b>
	<b>Total for all 12 properties :</b>	<b><u>£1,195,351</u></b>

## THE MAYOR AND BURGESSES OF THE LONDON BOROUGH OF TOWER HAMLETS

- AND -

## SWAN HOUSING ASSOCIATION LIMITED

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 TRANSFER AGREEMENT
 

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This is the Agreement appended to the statement of consent given to London Borough of Tower Hamlets on 18 March 2005

AGREEMENT

Clause	Contents	Page
	<i>Sir</i> Office of the Deputy Prime Minister	
1.	DEFINITIONS	1
2.	AGREEMENT TO SELL	8
3.	INCUMBRANCES, TENANCIES AND RIGHTS	8
4.	THE COMPLETION DATE AND PAYMENT OF THE PRICE	9
5.	COVENANTS FOR TITLE	9
6.	CONDITIONS OF SALE AND TRANSFER DOCUMENTS	9
7.	COUNCIL'S WARRANTIES AND COVENANTS	10
8.	NOMINATION RIGHTS	10
9.	RENT AND SERVICE CHARGE ARREARS	10
10.	TREATMENT OF RTB RECEIPTS AND DEVELOPMENT CLAWBACK	12
11.	PROVISIONS OF NEW TENANCY AGREEMENT	12
12.	SERVICE COSTS AND APPORTIONMENTS	12
13.	CONTRACTS	13
14.	DESTRUCTION OF THE PROPERTY AND INSURANCE	13
15.	EMPLOYEES	13
16.	COMPULSORY PURCHASE ORDER	19
17.	COUNCIL'S OBLIGATIONS	21
18.	COMPANY'S OBLIGATIONS	23
19.	LICENCE AGREEMENT	23
20.	INTEREST	23
21.	COMPLETE AGREEMENT	23
22.	DISPUTE RESOLUTION AND EXPERT DETERMINATION	23
23.	NOTICES	24
24.	NON-MERGER	25
25.	VAT	25
26.	DATA PROTECTION ACT 1998	25
27.	CONFIDENTIALITY	26

28.	NON-ASSIGNABILITY	26
29.	LAW	27
30.	WAIVER	27
31.	COVENANTS	27
32.	RIGHTS OF THIRD PARTIES	27
33.	SEVERANCE	28
34.	EXCLUSION CLAUSE (MORTGAGEE)	28

**SCHEDULES**

	<b>Contents</b>
<b>First Schedule</b>	<b>The Property</b>
Part I	Dwellings
Part II	Ancillary Property
Part III	Freehold Reversions to Leasehold Flats
Part IV	Freehold Reversions to Electricity Sub-stations Leases
Part V	Miscellaneous Leases
Part VI	Miscellaneous Properties
Part VII	Wayleaves and Licences
Part VIII	Non-Secure Tenancies
<b>Second Schedule</b>	
Part I	Nomination Rights Deed
Part II	Common Housing Register Agreement
<b>Third Schedule</b>	<b>Contracts</b>
Part I	Assigned contracts
Part II	Retained contracts
<b>Fourth Schedule</b>	<b>Employees</b>
Part I	Transferring Employees
Part II	Disclosures
<b>Fifth Schedule</b>	<b>Deed of Covenant by the Company in favour of the Council</b>
<b>Sixth Schedule</b>	<b>Warranties and Covenants by the Council</b>
Part I	Collateral Warranties by the Council in favour of the Security Trustee
Part II	Warranties by the Council in favour of the Company
Part III	Deed of Covenant by the Council in favour of the Company
<b>Seventh Schedule</b>	<b>Form of Transfer for the Property</b>
<b>Eighth Schedule</b>	<b>Damage to the Property</b>

Ninth Schedule	Form of Licence Agreement in respect of properties let on non-secure tenancies
Tenth Schedule	
Part I	Form of Tenancy Agreement to be offered to Qualifying Tenants
Part II	Form(s) of Council's Tenancy Agreement(s)
Eleventh Schedule	
Part I	List of Furniture and Equipment to be transferred
Twelfth Schedule	Monitoring Protocol
Thirteenth Schedule	Right to Buy Sharing Agreement
Fourteenth Schedule	Development Clawback Agreement
Fifteenth Schedule	Deed of Assignment of Rent and Service Charge Arrears
Sixteenth Schedule	Partnership Agreement
Seventeenth Schedule	Development Agreement
Eighteenth Schedule	Deed of Variation
Nineteenth Schedule	Regeneration and Construction Work Phases
Twentieth Schedule	Not used
Twenty-first Schedule	Memorandum of Understanding
Twenty-second Schedule	Not used
Twenty-third Schedule	CPO Costs

ANNEXES

## Contents

Annex 1	Property Rent Roll
Annex 2	Garage Rent Roll
Annex 3	The Company's Allocation Policy
Annex 4	Not used
Annex 5	The Plan
Annex 6	Part I Tenants' Consultation Document and Stage 2 Notice
Annex 6	Part II Leaseholders' Consultation Document
Annex 7	List of tenants who have commenced RTB negotiations
Annex 8	Not used
Annex 9	Not used
Annex 10	Schedule of Staff Terms and Conditions and Employment Policies
Annex 11	Specimen Forms of RTB Leases
Annex 12	Not used
Annex 12	Specimen Form of Garage Licence

THIS AGREEMENT is made by way of deed the ~~16th~~ day of ~~March~~ 2005

**BETWEEN:**

- (1) **THE MAYOR AND BURGESSES OF THE LONDON BOROUGH OF TOWER HAMLETS** of The Town Hall, Mulberry Place, 5 Clove Crescent, London, E14 2BG (the "Council"); and
- (2) **SWAN HOUSING ASSOCIATION LIMITED** whose registered office is situated at Pilgrim House, High Street, Billericay, Essex CM12 9XY (the "Company").

**WHEREAS**

- (A) The Council wishes to transfer the freehold of the Crossways Estate ("the Estate"), related assets and related undertakings to the Company;
- (B) The Council has agreed to undertake certain Qualifying Works the Estate;
- (C) The main purpose of this agreement is to give effect to the transfer of the Estate, related assets and related undertakings to the Company;
- (D) The Development Agreement (as defined) which has been entered into between the parties, while subsidiary to the main purpose of this agreement, forms an integral part of it.

**IT IS AGREED:**

**1. DEFINITIONS**

1.1 In this Agreement and the Schedules hereto the following words and phrases shall where the context so admits have the following meanings:

"Agreed Hourly Rate"	shall mean £35 per hour for the Council's housing regeneration team and £95 per hour for the Council's legal officers;
"Ancillary Property"	shall mean that part of the Property briefly described in Parts II, III, IV, V, VI and VII of the First Schedule and any part thereof;
"Assured Tenancy Agreement"	shall mean tenancy agreements to be offered to all Qualifying Tenants after the Completion Date in the form set out in Part I of the Tenth Schedule hereto;
"Beneficiaries"	shall mean the Beneficiaries as defined in the Security Trust Deed and reference to a Beneficiary shall be a reference to any one Beneficiary;
"Borough of Tower Hamlets"	shall mean the administrative area of the London Borough of Tower Hamlets as at the Completion Date;
"Business Day"	shall mean Monday to Thursday between 8.30 and 17.00 and Friday between 8.30 and 4.30 in any week except public holidays;
"Collateral Warranty"	shall mean the Deed of Collateral Warranty in the form set out in Part I of the Sixth Schedule;

- "Common Housing Register" shall mean the register of housing need established and maintained between Registered Social Landlords and the Council in accordance with the provisions of Part VI of the Housing Act 1996 and any regulations made thereunder;
- "Common Housing Register Agreement" shall mean the Agreement in the form set out in Part II of the Second Schedule;
- "Common Lettings Policy" shall have the same meaning as in the Nomination Rights Deed;
- "Company" shall mean Swan Housing Association Limited and (save as otherwise herein expressly provided) where the context so admits its successors and assigns;
- "Company Solicitors" shall mean Messrs Devonshires, Salisbury House, London Wall, London EC2M 5QY reference JAB;
- "Completion Date" shall mean 21st March 2005;
- "Compulsory Purchase Order" shall mean a compulsory purchase order or orders made pursuant to Section 226 of the Town and Country Planning Act 1990 and Section 17 of the Housing Act 1985 and also referred to as "CPO";
- "Consultation Document" shall mean the formal Consultation Document on the transfer circulated to all secure and introductory tenants of the Council on 26 August 2004 together with the Stage 2 Notice issued on 29 September 2004 and incorporated at Annex 6 Part I and the Consultation Document issued to Leaseholders in September 2004 and incorporated at Annex 6 Part II;
- "CPO Costs" shall mean all reasonable and proper costs and expenses reasonably and properly incurred by the Council as set out in the Twenty-third Schedule;
- "CPO Land" shall mean that part of the land required for development as contained in the Compulsory Purchase Order and any amendment and variation to the same;
- "Council" shall mean The Mayor and Burgesses of the London Borough of Tower Hamlets of The Town Hall, Mulberry Place, 5 Clove Crescent, London, E14 2BG and (save as otherwise herein expressly provided) where the context so admits any successor body and its successors in title and assigns;
- "Council's Solicitors" shall mean the Council's Head of Legal Services, and Lawrence Graham LLP Solicitors of 190 Strand, London WC2R 1JN;
- "Deed of Assignment of Rent and Service Charge Arrears" shall mean an agreement to be made between the Council (1) and the Company (2) in the form set out in the Fifteenth Schedule;



"Deemed Transferees"	shall mean those persons listed in Part I of the Fourth Schedule who have accepted an offer of employment with the Company from the Completion Date as provided for in Clause 15.1.2.
"Development Agreement"	shall mean an agreement of even date herewith and made between the Council (1) and the Company (2) in the form set out in the Seventeenth Schedule;
"Dwelling"	shall mean a residential house, bungalow, maisonette or flats forming part of the Property and briefly described in Part I of the First Schedule;
"Expert"	shall mean a person appointed under Clause 22.3;
"Finance Documents"	shall mean the finance documents as defined in a Loan Agreement or as applicable in any Refinancing Agreement as they may from time to time be amended novated restated or supplemented;
"Finance Party"	shall mean a Finance Party as defined in the Loan Agreement or in any Refinancing Agreement or if applicable a financier under any Refinancing Agreement;
"Flat"	shall mean a Dwelling which is a flat as defined in Section 183 of the Housing Act 1985;
"Furniture and Equipment"	shall mean all that furniture and equipment listed in Part I of the Eleventh Schedule;
"Garage"	shall mean that part of the Property briefly described in Part II of the First Schedule and listed on the Garage Roll contained in Annex 2;
"House"	shall mean a Dwelling which is a house as defined in Section 183 of the Housing Act 1985;
"Incumbrances"	shall mean all those the stipulations covenants conditions and other matters contained or referred to in the title deeds and documents relating to the Property (or entries in the Register where title to that part of the Property is registered) so far as the same are subsisting and capable of being enforced and relate to or affect the Property;
"Insured Risks"	shall mean fire, storm, tempest, flood, earthquake, lightning, explosion, impact, aircraft (other than hostile aircraft) and other aerial devices and articles dropped therefrom, riot, civil commotion, theft, bursting or overflowing of water tanks apparatus or conduits, escape of oil, impact by vehicle or animal, strikes and labour disturbance and subsidence;
"Lease"	shall mean the leases subject to which the Property is sold brief particulars of which are set out in Parts III, IV and V of the First Schedule;

"Leaseholders"	shall mean the person or persons entitled to the term granted by a Lease of a Dwelling;
"Licences"	shall mean the licences subject to which the Property is sold brief particulars of which are set out in Part VIII of the First Schedule;
"Licence Agreement"	shall mean an agreement in the form set out in the Ninth Schedule;
"Loan Agreement"	<p><i>have the same meaning as ascribed in the Deed</i></p> <p><del>shall mean the loan agreement dated [ ] and entered into between the Company and a Lender as the same may be amended novated varied or restated from time to time;</del></p> <p><i>captioned in Part I of the Sixth Schedule</i></p>
"Monitoring Protocol"	shall mean the protocol set out in the Twelfth Schedule;
"Nomination Rights Deed"	shall mean an agreement of even date herewith made between the Council (1) and the Company (2) in the form set out in Part I of the Second Schedule;
"Non-Secure Tenant"	shall mean a tenant who is in occupation of any dwelling by virtue of a tenancy granted by the Council in discharge of its duties to provide temporary accommodation pursuant to the Housing Act 1996;
"Non-Secure Tenancies"	shall mean the tenancies granted to Non-Secure Tenants listed in Annex 1;
"Plans"	shall mean all the plans which form part of this Agreement as Annex 5 and which is bound up and sealed by the Council and by the Company by way of identification;
"Price"	shall mean (a) the sum of Twenty-one million three hundred and eighteen thousand nine hundred and eighty two pounds (£21,318,982.00) in respect of the Property which reflects the Council's covenant to carry out Qualifying Works at its own expense pursuant to Clause 17.10 of this Agreement subject to adjustment in accordance with Clause 4.2;
"Property"	shall mean <b>ALL THAT</b> freehold and leasehold property and all landlord's fixtures and fittings therein together with the dwelling houses, bungalows, maisonettes, flats, (including where relevant the Ancillary Property and more particularly the freehold reversions of any houses bungalows maisonettes or flats which have been sold by the Council (including those sold to the tenants thereof) and the freehold reversions to any shops electricity substations or other leased property) offices, garages and other buildings erected thereon or on some part or parts thereof, the amenity areas, unadopted roads footpaths and car parking areas including ancillary apparatus comprised in the various pieces or parcels of land all more particularly [shown edged red (including the land beneath any adopted

roads within the Property) on the Plans brief details of which property are shown in the First Schedule **TOGETHER WITH** the benefit of the Council's agreement and obligation to carry out and complete at its own expense the Qualifying Works and **TOGETHER ALSO WITH** the benefit of any rights reserved or covenants imposed in any conveyances, transfers or leases of property adjacent or contiguous thereto previously sold by the Council and which benefit the Property together with any causes of action in connection with the Property and which benefit the Property;

"Qualifying Tenant"	shall mean a secure tenant within the meaning of Section 79 of the Housing Act 1985 or an introductory tenant within the meaning of Part V of the Housing Act 1996 of any Dwelling as at the Completion Date in respect of whom there is in force no outstanding order of the Court for possession of his Dwelling and no subsisting valid notice of intention to seek possession or no subsisting valid notice to terminate <b>PROVIDED THAT</b> any secure tenant of any Dwelling who is not a Qualifying Tenant as at the Completion Date shall if he had the possession order discharged or the notice of intention to seek possession withdrawn subsequently qualify to be a Qualifying Tenant and in such circumstances such qualification shall be retroactive to the Completion Date;
"Qualifying Works"	shall have the same meaning as in the Development Agreement;
"Refinancing Agreement"	shall mean any agreement or agreements from time to time relating to any refinancing and/or restructuring or all or part of the principal amount available under a Loan Agreement including for the avoidance of doubt an issue of loan debenture stock or any refinancing using capital market products;
"Regeneration and Construction Works"	shall mean all the works and operations to be carried out and performed by the Company for the demolition regeneration and construction of residential dwellings on the Property;
"Regeneration and Construction Work Phases"	shall mean the phases for Regeneration and Construction Works in the form set out in the Nineteenth Schedule;
"Registered Social Landlord"	shall mean a social landlord registered with the Housing Corporation pursuant to Part I of the Housing Act 1996;
"Regulations"	shall mean the Transfer of Undertakings (Protection of Employment) Regulations 1981 (as amended) and EEC Directive 77/187 (as amended)

"Relevant Documents"	shall have the same meaning given to it in the Security Trust Deed (and includes for the avoidance of doubt the Loan Agreement and the Finance Documents);
"Rights"	shall mean <b>ALL THOSE</b> exceptions reservations easements and other matters contained or referred to in the title deeds and documents relating to the Property (or entries in the Registers where title to that part of the Property is registered) so far as the same are subsisting and capable of benefiting or affecting the Property;
"RPI"	shall mean the United Kingdom General Index of Retail Prices (All Items) or in the event that the basis of calculation of such Index shall change (as to which the Council's reasonable decision shall be conclusive) or if such Index ceases to be published such other published index of retail prices or the value of money as the Council and the Company may agree <b>PROVIDED THAT</b> in the event that agreement cannot be reached within 28 days of such decision by the Council or the index ceasing to be published the RPI may be determined in accordance with the provisions of Clause 22;
"RTB"	shall mean the right to buy pursuant to the provisions of Part V of the Housing Act 1985 as amended or any applicable statutory provision preceding that Act;
"RTB Sharing Agreement"	shall mean an agreement of even date herewith and made between the Council (1) and the Company (2) in the form set out in the Thirteenth Schedule;
"RTB Dwelling"	shall mean each of the Dwellings that on the date hereof is occupied by an RTB Tenant;
"RTB Tenant"	shall mean any tenant occupying a Dwelling who has claimed to exercise the RTB whose purchase has not been completed as at the Completion Date details of whom are set out in Annex 7;
"Secretary of State"	shall mean the First Secretary of State of the Office of the Deputy Prime Minister or such other of Her Majesty's Secretaries of State to whom his functions in relation to Local Authorities are transferred;
"Security Trustee"	shall mean the person for the time being security trustee under the Security Trust Deed but shall include its successors in title, transferees and any agent single lender or mortgagee under or in connection with any Refinancing Agreement;
"Security Trust Deed"	shall mean the Security Trust Deed as defined in the Loan Agreement;
"Selected Agent"	shall mean such person or firm agreed by the parties hereto or in default of agreement nominated by the

	President for the time being of the Royal Institute of Chartered Surveyors;
"Seven Day LIBOR"	shall mean the London Inter-Bank Offer Rate from time to time in force;
"Standard Conditions"	shall mean the Standard Conditions of Sale (4 <sup>th</sup> Edition);
"Tenancies"	shall mean the tenancies of the Dwellings brief particulars of which are set out in Part I of the First Schedule;
"Third Party Interests"	shall mean the freehold or other interests of third parties in the Property (but excluding any interest of statutory undertakers);
"Third Party Rights"	shall mean any new rights over land adjoining the Property and required for the Regeneration and Construction Works;
"Transfer"	shall mean the Deed effecting the transfer of the Property from the Council to the Company in the form set out in the Seventh Schedule;
"Transferring Employees"	shall mean the TUPE Transferees and the Deemed Transferees;
"TUPE Transferees"	shall mean those persons listed in Part I of the Forth Schedule who immediately prior to the Completion Date were employed by the Council and worked wholly or mainly in the Undertaking;
"Undisclosed Employee"	shall mean any employee or former employee of the Council who is not a Transferring Employee whether or not such employee or former employee of the Council is now or was immediately prior to the Completion Date employed by the Council in the Undertaking whose contract of employment shall have effect as if originally made with the Company by virtue of the Regulations and this Agreement;
"Undertaking"	shall mean the undertaking (as defined in the Regulations) of the Council concerning the ownership management maintenance and letting of the Property which is transferred to the Company pursuant to the provisions of this Agreement;
"VAT and "Value Added Tax"	shall mean value added tax or any tax of a similar nature as presently charged under the provisions of the Value Added Tax Act 1994 and any amendment thereto or any legislation substituted therefor.
"Wayleaves"	shall mean the wayleaves brief particulars of which are set out in Part VII of the First Schedule.
"Works Fee"	shall have the same meaning as in the Development Agreement.

- 1.2 In this Agreement and the Schedules hereto where the context so admits:
- 1.2.1 words denoting the singular shall include the plural and vice versa words denoting the masculine gender shall include the feminine gender and vice versa and words denoting persons shall include corporations;
- 1.2.2 reference to any statutory provisions shall be deemed unless the context otherwise requires to include reference to any such provisions as from time to time amended varied replaced extended or re-enacted and to any orders or regulations under such provisions; and
- 1.2.3 references to Clauses, Schedules and Annexes shall be deemed to be references to clauses of and schedules and annexes to this Agreement and references to sub-clauses shall be deemed to be references to the sub-clauses of the Clause in which the reference appears.
- 1.3 In this Agreement clauses headings are included for ease of reference only and shall not affect this Agreement or the interpretation thereof.
- 1.4 Any statement in the Agreement (or in any contract deed or instrument entered into under or in connection herewith) qualified by the expression "to the best of the knowledge information and belief of the Council" or "so far as the Council is aware" or any similar expression shall be deemed to include an additional statement that it has been made after due, diligent and reasonable enquiry.

## **2. AGREEMENT TO SELL**

In consideration of the Price and the covenants, conditions and other obligations on the part of the Company set out in this Agreement and any contract deed or instrument referred to herein the Council agrees to sell and the Company agrees to purchase the Property.

## **3. INCUMBRANCES, TENANCIES AND RIGHTS**

- 3.1 The Property is sold subject to and where appropriate with the benefit of:
- 3.1.1 the Incumbrances;
- 3.1.2 the Tenancies;
- 3.1.3 the Leases and Licences;
- 3.1.4 the Rights;
- 3.1.5 the Wayleaves;
- 3.1.6 the Non-Secure Tenancies;
- 3.1.7 the Council's agreement and obligation to carry out and complete at its own expense the Qualifying Works as the same may be varied in accordance with Clause 2.2 or 6.4 of the Development Agreement.

#### 4. THE COMPLETION DATE AND PAYMENT OF THE PRICE

- 4.1 The purchase shall be completed on the Completion Date at the offices of the Council or such alternative venue as the parties may agree at which time and place (a) the Company shall pay the Price to the Council; and (b) the Council will transfer the Property to the Company, the form of Transfer to be as set out in the Seventh Schedule **PROVIDED THAT** the Works Fee (less VAT thereon) to be paid by the Council to the Company under the Development Agreement may be off set against the Price.
- 4.2 If the Development Agreement is terminated in its entirety or in part pursuant to Clause 6.4 of the Development Agreement, the relevant Deed of Variation as set out in the Eighteenth Schedule (or such Deed of Variation as may be agreed by the Council and the Company in accordance with Clause 6.4 of the Development Agreement) will be entered into and the Price shall be reduced by an amount equal to the Reduction as defined in Clause 6.4 of the Development Agreement and the Council shall repay the amount to the Company in accordance with the said Clause 6.4.

#### 5. COVENANTS FOR TITLE

Save as otherwise expressly stated in the Transfer (and only where disclosure of this variation has been made in Schedule 2 to the Forms of Warranty set out in Parts I and II of the Sixth Schedule) the Council sells with full title guarantee subject only to the matters referred to in Clause 3.

#### 6. CONDITIONS OF SALE AND TRANSFER DOCUMENTS

The Standard Conditions shall be deemed to be incorporated herein so far as the same are applicable to a sale by private treaty and are not varied by or inconsistent with the terms of this Agreement save that the following Special Conditions shall apply:

- 6.1 The Contract rate referred to in Condition 1.1.1 thereof shall be 2 per cent above the Seven Day LIBOR prevailing from time to time;
- 6.2 Standard Conditions 1.3, 1.4, 2.2, 2.3, 3.1, 3.2, 3.3, 3.4, 4.1, 4.2, 4.3, 4.6.1, 5.1.1, 5.1.2, 6.1, 6.2, 6.4, 6.5, 7.2, 7.6.2(a), 8.1.2, 8.2.4 and 8.2.5 shall not apply;
- 6.3 Special Conditions 3, 4 and 5 shall not apply;
- 6.4 Standard Condition 6.3.3 shall be varied so that in apportioning any sum it shall be assumed that the Company owns the Property from the beginning of the day from which the apportionment is made;
- 6.5 No deposit shall be payable on exchange of this Agreement;
- 6.6 For the purpose only of Standard Conditions 6.1.2, 6.3 and 7.3 if on the Completion Date the Company is unable or unwilling to complete before 4:00 p.m. on that day or if the purchase money or any part thereof is being remitted to the Council's account and is not actually notified to the branch of the bank concerned by 4:00 p.m. on that day then the Completion Date shall be taken to be the first Business Day thereafter;
- 6.7 The Council will prepare the Transfer ~~(including the Lease in the form set out in Part II of the Seventh Schedule)~~ of the Property which shall be in the respective forms set out in the Seventh Schedule, and the Plans in the form set out in Annex 5 and shall be responsible for the same complying with the provisions of this

Agreement and the Land Registration Acts and any other relevant statutory provisions;

- 6.8 References in the Standard Conditions to "the seller" and "the buyer" shall be deemed to be references to the Council and the Company respectively.

## 7. COUNCIL'S WARRANTIES AND COVENANTS

The Council shall on the Completion Date enter into a Deed with the Company and with the Security Trustee in which the Council shall warrant to the Security Trustee for itself and the Beneficiaries and the Company in the terms respectively set out in Parts I and II of the Sixth Schedule and covenant with the Company in the terms set out in Part III of the Sixth Schedule.

## 8. NOMINATION RIGHTS

- 8.1 The parties hereto hereby agree that on the Completion Date they will enter into the Nomination Rights Deed and the Common Housing Register Agreement in the form set out in the Second Schedule, for the purpose (inter alia) of enabling the Council to fulfil its statutory duties to the homeless and those in housing need.

- 8.2 The Council and the Company hereby agree that the nomination rights granted by the Nomination Rights Deed and the Common Housing Register Agreement only relate to Dwellings as defined in the Nomination Agreement do not relate to any Dwellings which become vacant between the Completion Date and the completion of the Regeneration and Construction Work Phases to the block in which the Dwelling is situated. In respect of any such Dwellings the Company shall notify the Council as and when such Dwellings become vacant and at the same time notify the Council whether (acting reasonably) it is willing to lease the Dwelling back to the Council for use as temporary accommodation. In the event that the Company decides that it is willing to lease the Dwelling back to the Council the Company shall grant a <sup>Licence</sup> Leaseback Agreement to the Council in respect of the Dwelling in the form set out in the Ninth Schedule.

## 9. RENT AND SERVICE CHARGE ARREARS

- 9.1 All arrears of rent and service charge due as at the Completion Date from current or secure tenants of the Property as at the Completion Date (the "Arrears") together with all rights to recover the same shall be assigned by the Council to the Company, and in consideration of such assignment, the Company shall pay to the Council a sum ("the Arrears Payment") calculated in accordance with Clause 9.3 and the Arrears Payment shall be made by the Company to the Council in accordance with Clause 9.4.
- 9.2 The assignment of the Arrears from the Council to the Company shall be in the form set out in the Fifteenth Schedule, and shall be completed no later than 28 days after the Completion Date.
- 9.3 In consideration of the assignment contemplated in Clause 9.2, the Company shall pay to the Council the Arrears Payment calculated as follows:
- 9.3.1 100% of all such Arrears where the age of the arrears in any individual case is less than or equal to 4 weeks;
- 9.3.2 90% of all such Arrears where the age of the arrears in any individual case is greater than 4 weeks but less than or equal to 12 weeks;



- 9.3.3 75% of all such Arrears where the age of the arrears in any individual case is greater than 12 weeks but less than or equal to 26 weeks;
- 9.3.4 50% of all such Arrears where the age of the arrears in any individual case is greater than 26 weeks but less than or equal to 39 weeks;
- 9.3.5 25% of all such Arrears where the age of the arrears in any individual case is greater than 39 weeks but less than or equal to 52 weeks; and
- 9.3.6 5% of all such Arrears where the age of the arrears in any individual case is greater than 52 weeks.
- 9.4 Payment by the Company for the Arrears shall be made in two instalments which shall be fifty percent (50%) of the Arrears Payment determined pursuant to Clause 9.3 on the day which is three months after the Completion Date (or the nearest Business Day to such day) and fifty percent (50%) of the Arrears Payment determined pursuant to Clause 9.3 on the day which is six months after the Completion Date (or the nearest Business Day to such day).
- 9.5 The Council shall if the Company so requests (but subject to any such request being reasonable and the Company meeting any reasonable costs incurred by the Council thereby):
- 9.5.1 afford the Company all reasonable and practicable assistance (including taking part in any legal actions and proceedings and whether or not involving the expenditure of money) so as to enable the Company in its own name to recover any Arrears as if the Council itself were recovering the same; and
- 9.5.2 (if so requested by the Company and subject to the Company indemnifying the Council in respect of any costs reasonably and properly incurred) lend its name to any proceedings brought or proposed to be brought by the Company for the recovery of the Arrears.
- 9.6 For the avoidance of doubt it is hereby declared that all prepayments made by or on behalf of current tenants and current leaseholders (including in the case of current tenants any Housing Benefit and accrued service charge surpluses and in the case of leaseholders any capital reserve amounts, sinking funds and unspent interest earned thereon) on or prior to the Completion Date in respect of their liabilities for rent, ground rent or service charges due on or after the Completion Date shall be for the account and benefit of the Company and shall be paid to the Company by the Council within 28 days after the Completion Date.
- 9.7 The Council shall as soon as possible but in any event within 28 days after the Completion Date provide to the Company all such information as it may possess which may reasonably be needed to enable the Company to pursue its rights against current tenants pursuant to the provisions of Clauses 9.1 to 9.6 (inclusive) and the assignment contemplated hereby **SUBJECT ALWAYS** to any unavoidable legal restrictions.
- 9.8 The Council hereby agrees that any payments received by the Council on or after the Completion Date from current tenants and leaseholders of the Property in respect of their liability to the Company for rent, ground rent and service charges either due on or after the Completion Date and/or in respect of the Arrears shall be for the account and benefit of the Company and shall be paid to the Company by the Council within 28 days.
- 9.9 The Council hereby certifies to the Company that:

- 9.9.1 the gross amount of rent and service charge arrears due from the current tenants of the Property as at the Completion Date does not exceed £40,000; and
- 9.9.2 the gross amount of overpayments of housing benefit due from the current tenants and licensees of the Property as at the Completion Date does not exceed £15,000.
- 9.10 The Council hereby further warrants to the Company that the Arrears to be assigned to the Company pursuant to this Clause 9 are properly due and payable as rent and/or service charge arrears and further that the Council has not assigned to a third party any rights with regard to the Arrears.

## 10. TREATMENT OF RTB RECEIPTS AND DEVELOPMENT CLAWBACK

The Council and the Company hereby agree on the Completion Date to enter into the RTB Sharing Agreement in the form set out in the Thirteenth Schedule and the Development Clawback Agreement in the form set out in the Fourteenth Schedule.

## 11. PROVISIONS OF NEW TENANCY AGREEMENT

Following the Completion Date the tenancies under which the secure tenants of the Dwellings occupied the same immediately prior to the Completion Date will become assured tenancies. The Company **HEREBY COVENANTS** with the Council that notwithstanding the provisions in the Housing Act 1988 that relate to assured tenancies the Company will as soon as is practicable and in any event no later than six month(s) after the Completion Date offer to all Qualifying Tenants Assured Tenancy Agreements which shall be in the form set out in Part I of the Tenth Schedule **PROVIDED ALWAYS** that if any Qualifying Tenant does not sign and return to the Company such an Assured Tenancy Agreement then insofar as it relates to the additional rights and protections given to the Qualifying Tenant and referred to in the form of agreement set out in Part I of the Tenth Schedule, the Company shall in relation to such a tenant act as if such an Assured Tenancy Agreement had been signed and returned by that Qualifying Tenant. In the event of any non-compliance the Company shall be entitled to take such action in the Courts or otherwise as the law allows whether on the basis of the Assured Tenancy Agreement or otherwise.

## 12. SERVICE COSTS AND APPORTIONMENTS

### 12.1 General provisions

- 12.1.1 Save as otherwise expressly provided herein, the Council shall pay for all works done and services provided up to and including the day before the Completion Date in respect of services provided for the Property and the tenants thereof in accordance with the terms of the Tenancies and otherwise and the Company shall pay for all such services provided on and after the Completion Date.
- 12.1.2 Apportionment of rental and other income and all associated outgoings save as otherwise expressly herein provided shall be made in accordance with Standard Condition 6.3.3 (as varied by Clause 6.4 hereof) **PROVIDED ALWAYS** that reference therein to "Service Charges" shall be deemed only to refer to those service charges that vary in accordance with the cost of the provisions of the services.
- 12.1.3 Full details as to the calculation of the apportionments will be agreed between the Council and the Company within 28 days after the Completion Date.

## 12.2 Leaseholder service charges

12.2.1 The Council undertakes that it will use its reasonable endeavours subject to all reasonable assistance being provided by the Company to provide the Company as soon as reasonably practicable after the Completion Date with all details of income and expenditure that relate to the service charges payable by leaseholders under the Leases as at the Completion Date **TOGETHER WITH** properly detailed final service charge accounts for the relevant leaseholders and providing the Company with details of all sums received by the Council from the leaseholders in settlement (whether in whole or in part) of the service charge as at the Completion Date.

12.2.2 Should the income exceed the expenditure aforesaid the Company will invoice the Council for such excess amount and the Council shall make payment of the same within 28 days of the date of such invoice.

12.3 The Council hereby warrants to the Company that the expenditure referred to in Clause 12.2.1 is properly due and payable and is collectable as service charges save that the Council gives no warranty as to the actual collectability of such service charges.

## 13. CONTRACTS

The Council hereby represents warrants and undertakes to the Company that there are no contracts benefiting the Property and no contracts which will transfer to the Company on the Completion Date.

## 14. DESTRUCTION OF THE PROPERTY AND INSURANCE

14.1 The Council will reimburse the Company for the reasonable costs properly incurred by the Company in reinstating any damage to any building comprised in the Property or remediating any other damage at the Property which is pursuant to an Insured Risk relating to the Property or any part thereof (where such damage has occurred prior to but not including the Completion Date) except where reinstatement has already been carried out by the Council short particulars of all such damage (if any) being set out in the Eighth Schedule. The Company hereby agrees that any reinstatement work undertaken by or on behalf of the Company under this Clause 14.1 shall comply with the reasonable requirements of the Council's insurers as notified in writing by the Council to the Company.

14.2 The Company shall insure the Property (or such part of the Property as is in the ownership of the Company from time to time) in a substantial and reputable insurance office for a sum not less than the full reinstatement cost thereof and against fire and all other usual perils including subsidence with effect from the date hereof and shall at the request of the Council produce to the Council the first receipt for the premium paid for such insurance.

## 15. EMPLOYEES

15.1 The Company hereby undertakes to the Council that

15.1.1 with effect from the Completion Date it will become the employer of the TUPE Transferees pursuant to the Regulations;

15.1.2 on or before the Completion Date it will offer employment to the Deemed Transferees on their existing terms and conditions (except for any terms and conditions relating to job description) which employment if accepted will have effect from the Completion Date and the period of continuous employment applicable to

the Deemed Transferees will be backdated to the commencement of their employment with the Council;

- 15.1.3 with effect from the Completion Date it will treat the Deemed Transferees as if they had transferred to the Company pursuant to the Regulations;
- 15.1.4 notwithstanding the provisions of clause 15.1.2 above, where the rate of remuneration and the benefits package provided by the Company in respect of the position offered to any Deemed Transferee is more favourable than that which had prior to the Completion Date been provided to the Deemed Transferee by the Council then the Company will offer the more favourable package to the Deemed Transferee.
- 15.2 Save as disclosed in Part II of the Fourth Schedule the Council hereby represents warrants and undertakes to the Company that:
- 15.2.1 it has disclosed to the Company in writing all material facts and matters (including all matters expressly set out in Part I of the Fourth Schedule hereto) to the extent permitted by the Data Protection Act 1998 and where necessary for the Company to exercise or perform any right or obligations conferred or imposed by law on the Company in connection with the employment of the Transferring Employees (save for sensitive personal data as defined in the Data Protection Act 1998 where the employee in question has not given express consent to any such disclosure) relating to or concerning the employment of every Transferring Employee including but not limited to their respective ages length of service notice periods personnel files including car loan agreements disciplinary records tax records details of all deductions from salary training records health and safety records actual hours of work leasing and loan agreements sickness records any policy of insurance in place to cover liability for the personal injury of Transferring Employees requests and agreements to work flexibly all terms and conditions of employment (whether or not consolidated into the Council's general terms and conditions for staff) pay enhancements pension arrangements benefits policies or other agreements or arrangements or understandings in respect of each of them and any variation thereto agreed with or imposed upon any Transferring Employee (where such variation has been agreed or imposed within a period of twelve months preceding the Completion Date) and a Schedule of the Council's general terms and conditions and employment policies is set out in Annex 10;
- 15.2.2 it has disclosed in writing to the Company all material facts and matters relating to all or any collective agreements, recognition agreements and arrangements which the Council has with any trade union, staff association or other body representing any of the Transferring Employees which affects the terms and conditions of employment or severance payments of any of the Transferring Employees;
- 15.2.3 it has complied fully with its obligations under the Working Time Regulations 1998 and has disclosed in writing to the Company all material facts and matters relating to or concerning all or any obligations of the Council as employer of the Transferring Employees arising from the Working Time Regulations 1998 including providing to the Company all and any records for the previous two years relating to Night Workers if any (as defined in the Working Time Regulations 1998) and as required by the Working Time Regulations 1998 and any workforce agreements in place;
- 15.2.4 it has disclosed in writing to the Company full details of any material representations or statements (whether oral written or transmitted by electronic or other medium) made by the Council to any Transferring Employees (or their unions or other representatives) in any way connected with or concerning employment with the Company within the period of six months preceding the Completion Date;

- 15.2.5 the TUPE Transferees are the only employees (as defined by Regulation 2(1) of the Regulations) of the Council who will transfer to the Company under the Regulations;
- 15.2.6 save in respect of the Transferring Employees the Council has not in relation to the Undertaking offered a contract of employment or contract for services to any person company or other business entity;
- 15.2.7 none of the Transferring Employees have given notice or are under notice terminating their contract of employment;
- 15.2.8 none of the Transferring Employees or other persons previously working in the Undertaking who have or may have a statutory or contractual right to return to work in the Undertaking are on maternity leave, adoption leave, paternity leave, absent on grounds of sickness disability or other leave of absence;
- 15.2.9 there are no enquiries or investigations existing of which the Council is aware and the Council has no notice of any pending or threatened enquiries or investigations into the Undertaking by the Equal Opportunities Commission, the Health & Safety Executive the Commission for Racial Equality the National Disability Council or the Disability Rights Commission or similar authority;
- 15.2.10 on the usual staff payment day immediately following the Completion Date the Council will in respect of the Transferring Employees discharge fully its obligations to pay all salaries wages commissions bonuses overtime pay PAYE National Insurance and pension contributions holiday pay sick pay and other benefits of employment including expenses claims and there is no liability for any such matters which may fall upon the Company in respect of the Transferring Employees (or any former employee or employees of the Undertaking) for any period prior to and including the Completion Date;
- 15.2.11 it has not dismissed any person for a reason connected with the transfer of the Undertaking or this Agreement other than a reason which is "economic technical or organisational reason entailing changes in the work force" such expression having the meaning set out in Regulation 8(2) of the Regulations;
- 15.2.12 it has fully complied with all its obligations under Regulation 10 of the Regulations and Section 188 and Section 193 of the Trade Union and Labour Relations (Consolidation) Act 1992 where applicable;
- 15.2.13 it is not aware of any existing or threatened or pending litigation or dispute (including any formally threatened or actual industrial action) relating to or concerning all or any of the Transferring Employees or any former employee or employees of the Undertaking or any person who has applied to the Council for employment in the Undertaking or of any matter which could give rise to any legal claim or right of action whatsoever or create other liability in respect of any of them;
- 15.2.14 it has complied with its obligations under the National Minimum Wage Act 1998 and the National Minimum Wage Regulations 1999 in relation to the Transferring Employees;
- 15.2.15 it is not aware of any existing or threatened or pending litigation or claim relating to or concerning any trade union, staff association or other body representing Transferring Employees;
- 15.2.16 it is not aware of any acts or omissions the result of which is reasonably likely to result in industrial action by or a dispute with all or any of the Transferring Employees or former employees of the Undertaking or in litigation against the

Company by any of the Transferring Employees or any trade union or staff association or other body representing Transferring Employees or former employee or employees of the Undertaking.

- 15.2.17 it has not varied the terms and conditions of employment of any of the Transferring Employees in relation to the transfer effected by this Agreement or in the twelve months preceding the Completion Date and there is (and it undertakes that there will be) no agreement or arrangement between it and any of the Transferring Employees to vary the terms and conditions of employment as at the Completion Date.
- 15.2.18 all notices required to be issued by the Pension Schemes Act 1993 and the Pensions Act 1995 have been duly and properly issued and all contributions due as at the Completion Date in respect of the Transferring Employees to any applicable pension scheme have been or will be paid.
- 15.2.19 it has complied fully with its obligations under the Data Protection Act 1998 with regard to the Transferring Employees.
- 15.3 The Council shall indemnify and keep the Company indemnified from and against each and every cost claim liability or demand which may be suffered (including expenses and legal costs reasonably and properly incurred) by the Company in connection with the Transferring Employees or former employees of the Undertaking pursuant to the Regulations including without limitation any matter relating to or arising out of:
- 15.3.1 any breach of the warranties, indemnities and undertakings set out in Clause 15.2 above;
- 15.3.2 the Council's rights, powers, duties and/or liabilities under or in connection with any contract of employment and any collective agreements (which rights, powers, duties and/or liabilities are or will be transferred to the Company in accordance with the Regulations);
- 15.3.3 anything done or omitted to be done by or on behalf of the Council in respect of any contract of employment or any collective agreements or any persons employed in the Undertaking which is deemed to have been done or omitted to be done by or in relation to the Company in accordance with the Regulations;
- 15.3.4 the Council's failure to pay any of the Transferring Employees any sums due referable to employment prior to the Completion Date;
- 15.3.5 any claim by any Transferring Employee, trade union, staff association or staff body recognised by the Council in respect of all or any of the Transferring Employees arising out of the Council's failure to comply with its legal obligations in relation to information and consultation to or with any such Transferring Employee, trade unions, staff associations or bodies save in so far as any such failure results from a failure by the Company to provide information pursuant to Regulation 10(3) of the Regulations;
- 15.3.6 any claim brought by any Transferring Employee or any former employee of the Undertaking arising out of any work related injury suffered or existing prior to the Completion Date (whether or not notified to the Council prior to the Completion Date and/or coming to the knowledge of such employee at any time);
- 15.3.7 any underfunding as at the Completion Date (meaning any amount by which the liability of the applicable pension scheme on a past service reserve basis exceeds its assets) in relation to any period of pensionable service prior to the Completion

Date including for the avoidance of doubt any increase in the rate of employee's contribution payable by the Company as a result of such underfunding;

**PROVIDED THAT**

(1) no payment shall be due from the Council in respect of any single claim under Clause 15.3 the value of which does not exceed one thousand pounds (£1,000) (a "small claim") unless the aggregate value of small claims exceeds Ten thousand pounds (£10,000) in which case a claim may be made in respect of any breach of the said warranties, indemnities and undertakings (including claims making up the aggregate value of £10,000).

(2) no payment shall be due from the Council in respect of any claim under this Clause 15.4 which has not been notified to the Council within three years of the Completion Date **SAVE THAT** no time limit shall apply in respect of any claim arising from or in respect of any Undisclosed Transferring Employee's or any pension scheme operated by or in which the Council participates or has participated or any claim in respect of personal injury

15.4 The Council shall indemnify and hold harmless the Company against all claims, liabilities, costs and demands (including all reasonable expenses associated therewith) made by or in relation to any Undisclosed Employee including (but without prejudice to the generality of the foregoing) any claim liability cost and demand arising out of:

15.4.1 any breach of contract, deduction of wages, wrongful dismissal, unfair dismissal, discrimination, claim for equal pay under the Wages Act 1986, the Employment Rights Act 1996, European Law or otherwise; or

15.4.2 any Undisclosed Employee's contract of employment, employment relationship or any termination of such contract of employment including any claims brought under the said Regulations; or

15.4.3 any claim made by any trade union for an award or in respect of any Undisclosed Employee's entitlement under an award under the said Regulations; or

15.4.4 any such employee's rights under the Superannuation Scheme (as hereinafter defined) operated by Council;

15.4.5 any breach of the warranties and/or undertakings set out in Clause 15.2 above;

**PROVIDED THAT**

(1) no payment shall be due from the Council in respect of any single claim under Clause 15.5 the value of which does not exceed one thousand pounds (£1,000) (a "small claim") unless the aggregate value of small claims exceeds Ten thousand pounds (£10,000) in which case a claim may be made in respect of any claims by any Undisclosed Employees

(2) no payment shall be due from the Council in respect of any claim under this Clause 15.4 which has not been notified to the Council within three years of the Completion Date **SAVE THAT** no time limit shall apply in respect of any claim arising from or in respect of any Undisclosed Transferring Employee's or any pension scheme operated by or in which the Council participates or has participated or any claim in respect of personal injury.

15.5 For the avoidance of doubt, all wages and salaries and other emoluments including overtime pay, sick pay, tax and national insurance payments and contributions to

retirement benefit schemes relating to the Transferring Employees shall be borne by the Council up to but not including the Completion Date and all necessary apportionments shall be made accordingly.

- 15.6 The Company warrants to the Council that it has complied with its obligations in respect of the Transferring Employees under Regulation 10 of the Regulations; and
- 15.6.1 ~~/~~has not made any representations or omitted to make any representations to any of the Transferring Employees or any trade union or staff body that is likely to result in a dispute between any/all of the Transferring Employees and/or the Council/Company~~/~~
- 15.7 The Company shall indemnify and keep the Council indemnified against each and every employment related cost claim liability expense or demand which may be suffered by the Council (including all reasonable legal costs and expenses properly incurred and associated therewith) relating to or arising out of:
- 15.7.1 any breach of the warranties set out in Clause 15.6;
- 15.7.2 any claim made against the Council by a Transferring Employee in relation to any personal injury claim arising on or after the Completion Date and which relates to employment by the Company and circumstances occurring on or after the Completion Date; and/or
- 15.7.3 any breach of contract, deduction of wages, wrongful dismissal, unfair dismissal, discrimination, claim under the Employment Rights Act 1996, the Regulations or other employment related claims relating to employment by the Company and circumstances occurring on or after the Completion Date brought by any Transferring Employee against the Council;
- 15.7.4 any claim made by any trade union for an award or in respect of any such individual employee's entitlement under an award under the said Regulations relating to circumstances occurring on or after the Completion Date;
- 15.7.5 any change made by the Company to any Transferring Employee's terms and conditions of employment;
- 15.7.6 any act or omission of the Company occurring on or after the Completion Date or any act or omission of any of the Transferring Employees on or after the Completion Date **PROVIDED THAT** no payment shall be due from the Company in respect of any single claim under Clause 15.8 the value of which does not exceed One thousand pounds (£1,000) (a "small claim") unless the aggregate value of small claims exceed Ten thousand pounds (£10,000) and no payment shall be due from the Company in respect of any claim under this Clause 15.8 which has not been notified to the Company within twelve months of the Completion Date.
- 15.8 Pensions**
- 15.8.1 For the benefit of those Transferring Employees listed in Part I of the Fourth Schedule, the Company will seek admission to and shall maintain membership of the London Borough of Tower Hamlets Pension Fund Superannuation Scheme (or to an equivalent Local Government Pension Scheme or Fund) ("the Superannuation Scheme").
- 15.8.2 The Council **HEREBY AGREES** with the Company that it will in relation to those Transferring Employees who are members of the Superannuation Scheme upon demand make such payments to the administrators of the Superannuation Scheme as are certified by the Superannuation Scheme's actuary as necessary to ensure



that the accrued benefits (calculated on a past service reserve basis) of the Transferring Employees whilst in the service of the Council are fully funded as at the Completion Date and until such payments are made and the Superannuation Scheme's actuary has certified that no further payments are necessary, shall indemnify the Company against all costs proceedings liability and claims of whatever nature in respect of Transferring Employees' membership of the Superannuation Scheme whilst in the service of the Council.

15.8.3 For the avoidance of doubt, the Council shall be under no financial obligations arising out of this Clause 15.8 other than as provided in Clause 15.8.2.

15.8.4 The Company shall notify the Council if it intends to leave the Superannuation Scheme and join a broadly comparable pension scheme and will only do so if it consults fully with the Transferring Employees and in any event in accordance all relevant legislation.

#### 15.9 Conduct of claims

15.9.1 Each party (the "notifying party") shall promptly notify the other party (the "indemnifying party") in writing of any claims in respect of which the notifying party may be entitled to claim indemnity under this Agreement and the notifying party shall not settle any such claims without prior written authority from the indemnifying party (which shall not be unreasonably withheld or delayed) and, if the indemnifying party shall so request in writing, the notifying party shall entrust to the indemnifying party the care and conduct of contesting any such claim.

15.9.2 In the event of any claim against either party arising out of or in connection with this Agreement, the Council and the Company shall give upon request by the other party such assistance or information relevant to such claim as may reasonably be requested.

15.10  
16.

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#### COMPULSORY PURCHASE ORDER


16.1 The Council will if requested by the Company resolve to make the Compulsory Purchase Order in relation to any Third Party Interests relating to any part of the Property and will proceed with due diligence towards the Compulsory Purchase Order and apply for confirmation by the Secretary of State. The Company will pay the Council's CPO Costs as soon as reasonably practicable after request from the Council.

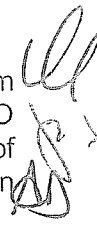
16.2 Following the making of the Compulsory Purchase Order the Council will use all reasonable endeavours to have the Compulsory Purchase Order confirmed by the Secretary of State. Following the date when the Compulsory Purchase Order becomes operative or (if later) free from any legal challenge the Council will vest in itself or otherwise acquire the CPO land and immediately following such acquisition will subject to the payment by the Company of any outstanding CPO Costs transfer any freehold or leasehold interest in the same to the Company.

16.3 Notwithstanding the foregoing provisions the Company will use all reasonable endeavours to negotiate and acquire by agreement all Third Party Interests as expeditiously as possible and, subject to payment by the Company of all reasonable and proper acquisition costs, including legal and other costs, which the Company have approved (such approval not to be unreasonably withheld or delayed prior to the covenant incurring the same) the Council shall acquire such interests and as soon as reasonably practicable following such acquisition will transfer any freehold or leasehold interest in the same to the Company.

15.10

The Company hereby agrees that it will fill up to two posts from the Tower Hamlets Indirect Allocation Pool established in respect of the Council's transfers of housing stock at a date to be determined.

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- 16.4 The parties shall keep each other fully informed as to the progress in discharging their respective obligations pursuant to clause 16 and in particular:
- (a) the Council shall provide the Company with copies of all correspondence received from the Government Office for London;
  - (b) the Council shall provide the Company with copies of all objections received to the Compulsory Purchase Order and any other material correspondence in relation to such objections; and
  - (c) the parties shall give each other not less than [ten] Business Days' written notice of all meetings being held in relation to the Compulsory Purchase Order and allow representatives of each other to attend such meetings should they wish and to make appropriate comments.
  - (d) the Council will where possible provide the Company with estimates of any CPO Costs to be incurred and obtain the Company's prior written approval to such expenditure.
- 16.5 The Company shall render assistance to the Council in achieving confirmation of the Compulsory Purchase Order and if so required by the Council shall at the Company's expense provide such reasonable and proper information and evidence as is known to or is otherwise in the possession of the Company and the provision of witnesses to give evidence at any public inquiry relating to the Compulsory Purchase Order provided that the Company will be under no obligation to make payment (of costs or otherwise) to any third party in fulfilling their above obligations otherwise than in respect of CPO Costs.
- 16.6 If requested by the Company the appointment of the Selected Agent shall be a joint appointment and in that event any instruction to the Selected Agent pursuant to this agreement shall be deemed to be a joint instruction.
- 16.7 The Company will within ~~ten~~ Business Days of receipt of any written request from the Council pay to and indemnify the Council from and against all or any of the CPO Costs incurred after the Completion Date of this agreement and for the purposes of this clause the payment shall become due ~~ten~~ Business Days after such written request. 
- 16.8 The Company shall only be obliged to make payment in respect of the Council's legal and surveyors' costs in connection with the CPO upon production of copies of invoices certified by the Chief Finance Officer of the Council or other officer or agent duly authorised by the Chief Finance Officer of the Council or having ostensible authority. For the avoidance of doubt, the Council's other internal officer's time reasonably and properly spent shall be a legitimate CPO cost and shall be payable provided that the Council produces an invoice showing how the time has been incurred and the amount payable shall be calculated on the basis of the Agreed Hourly Rate.
- 16.9 If the Council is requested to make an advance payment of compensation under section 52 of the Land Compensation Act 1973 in respect of any Third Party Interest included within the CPO the Council shall as soon as reasonably practicable serve a copy of the particulars of the claimant's interest on the Company and the parties shall instruct the Selected Agent to negotiate with any claimant the amount of compensation.
- 16.10 The Council shall instruct the Selected Agent to negotiate any compensation payments in respect of the CPO.

- 16.11 Where the Selected Agent is instructed in accordance with this Agreement the Council and the Company shall have proper regard to the advice given by the Selected Agent and in particular when considering whether or not the determination of any CPO compensation should be referred to the Lands Tribunal.
- 16.12 The Council will set off against monies due from the Company pursuant to clause 16.1 any income received by the Council in respect of the CPO Land.
- 16.13 The Council will use its reasonable endeavours to mitigate the costs and expenses it incurs in respect of the CPO Land.
- 16.14 If the Council receives any claim for hardship from any owner or occupier of the CPO Land then:
- (a) the Council will as soon as is reasonably practicable after receipt by the Council of such claim provide full written details of the claim to the Company;
  - (b) thereafter the Council will consult with the Company and the Council and the Company acting reasonably shall agree how the claim should be dealt with;
  - (c) the Council will deal with the claim in a reasonable and proper manner having regard to the statutory procedures available to the Council for compensating such owners and occupiers.

## 17. COUNCIL'S OBLIGATIONS

- 17.1 The Council hereby agrees that as soon as practicable following the Completion Date the Council shall deliver to the Company all management records and accounts relating to the Property and relating to the Tenancies (including all gas servicing certificates and schedules of renewal dates) and personnel information relating to the period of the Transferring Employees' employment with the Council **PROVIDED THAT** the Company shall retain such relevant records and accounts for no less than six (6) years and make them available to the Council for inspection and copying by the Council on request upon the Council meeting the Company's reasonable costs and shall not disclose to any third party (save the Company's or its funders' (including the Security Trustee, any Beneficiaries or Finance Party) professional advisers) any information contained in such records or accounts which shall prejudice the Council's interests save where such information is required to be disclosed by law or is already in the public domain. The Council will for a period of six (6) years make any further relevant legal and financial records which it is retaining available for inspection and copying by the Company on request upon the Company meeting the Council's reasonable costs.
- 17.2 The Council shall (insofar as it is legally able to do so) no later than 28 days after the Completion Date assign to the Company the benefit of any guarantees and indemnities which may be in force for the benefit of the Council and which relate solely to the Property and shall hold such guarantees and indemnities (and any sums paid to the Council thereunder in respect of any period with effect from and after the Completion Date) on trust for the Company until such assignment and shall deliver to the Company all such original documents relating thereto as the Council may possess.
- 17.3 The Council shall hold on trust for the Company the benefit of that part of any guarantee or indemnity which benefits the Property and shall upon request deliver to the Company copies of any such guarantees and indemnities.

- 17.4 The Council will at the request of the Company and at the Company's cost take any enforcement action under any guarantee or indemnity which it holds on trust under this Clause 17 and where any claims are made thereunder which relate to the Property the Council shall pay over to the Company all sums received in respect thereof less its costs reasonably and properly incurred as previously agreed with the Company within 28 working days of receipt thereof.
- 17.5 Upon the Completion Date the Council shall transfer or assign to the Company its interest in the items set out in Part I of the Eleventh Schedule which the Council warrants are its unencumbered property in consideration of the respective payments (which shall be paid by the Company to the Council on the Completion Date) set out below.
- 17.6 The Council shall on the Completion Date hand over to the Company or lodge at HM Land Registry all land certificates relating to the Property and the original deeds and title documents in its possession relating solely to the Property and certified copies of those which relate to the Property and other property retained by the Council.
- 17.7 The Council warrants to the Company that the only Dwellings which are subject to current RTB applications as at the Completion Date are listed in Annex 7.
- 17.8 Notwithstanding any disclosures made by the Council to the warranty deeds in Parts I and II of the Sixth Schedule the Council shall fully indemnify and keep indemnified the Company against all reasonable costs, claims, expenses or demands incurred by it and any fines and/or damages which may be levied or awarded against it in respect of any legal proceedings ("Proceedings") commenced against or notified to the Council prior to the Completion Date pursuant to any alleged acts or omissions in relation to any duty placed upon the Council by statute and in particular but not limited to Section 82 of the Environmental Protection Act 1990, Section 11 of the Landlord and Tenant Act 1985, Section 4 of the Defective Premises Act 1972 or Section 2 of the Occupiers Liability Act 1957 **PROVIDED THAT** the provisions of this Clause 17.8 shall not apply in respect of any costs directly attributable to the Qualifying Works except insofar as any such works have been commenced or are on going at the Completion Date.
- 17.9 In the event that any claims are brought against the Company pursuant to Clause 17.8 the Council shall use all reasonable endeavours to assist the Company in defending the same including (but without limitation) the provision of all such information and documentation as it may possess (whether privileged or otherwise) in relation to the matter or dispute and the Council shall further use its reasonable endeavours to obtain the co-operation of any of its staff for the taking of any statements in relation thereto.
- 17.10 Subject to Clause 6.4 of the Development Agreement the Council will at its own expense carry out the Qualifying Works to the Property (as defined in the Development Agreement) such Qualifying Works to be completed within the timescales set out in Clause 2.3 of the Development Agreement **PROVIDED THAT** the Council shall not be responsible for any failure to deliver the Qualifying Works where such failure is a result of action (or non action) by the Company under the terms of the Development Agreement and the Council shall not be responsible for the design or construction of the Qualifying Works.
- 17.11 The Council shall comply with any of its obligations set out in the Monitoring Protocol.

## 18. COMPANY'S OBLIGATIONS

- 18.1 The Company will upon the Completion Date enter into a Deed of Covenant with the Council in the terms set out in the Fifth Schedule.
- 18.2 The Company will upon the Completion Date enter into a Partnership Agreement in the form set out in the Sixteenth Schedule.
- 18.3 The Company shall as a condition of receiving each instalment of a grant payment as set out in the Monitoring Protocol comply with the provisions of the Monitoring Protocol as set out in the Twelfth Schedule to the Principal Agreement.
- 18.4 The Company will upon the Completion Date enter into a Memorandum of Understanding in the form set out in the Twenty-first Schedule.

## 19. LICENCE AGREEMENT

- Take Note on Next Page*
- 19.1 ~~The Company and the Council hereby agree upon the Completion Date to enter into Licence Agreement in the form set out in the Ninth Schedule in respect of Dwellings which as at the Completion Date are occupied by Non-Secure Tenants.~~
- 19.2 The Council warrants that all Non-Secure Tenancies which will be subject to the Licence Agreement to be entered into pursuant to Clause 19.1 above were granted by the Council after 28 February 1997.

## 20. INTEREST

Except as provided in Standard Condition 7.3 (as amended by Clause 6 of this Agreement) if and whenever any sum due to the Council or the Company under this Agreement shall at any time be unpaid for a space of twenty-eight (28) days next after becoming payable a further and additional sum by way of interest on the same calculated on a day to day basis at an annual rate higher by 2 per cent than the Seven Day LIBOR ruling from time to time from the date upon which such sum first became payable shall be paid to the party to whom such payment is due.

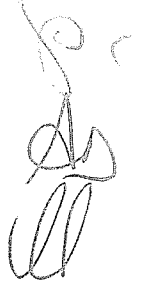
## 21. COMPLETE AGREEMENT

This Agreement and the conditions herein contained together with the Schedules and Annexes constitute the entire agreement between the parties and may only be varied or modified in writing by agreement under the seals of the parties the Company hereby acknowledges that there are and have been no representations of whatsoever nature on the faith of which the Company is entering into this Agreement made by or on behalf of the Council other than as contained or as referred to herein and such (if any) as are indicated in any written statements of the Council's Solicitors to the Company's Solicitors.

## 22. DISPUTE RESOLUTION AND EXPERT DETERMINATION

- 22.1 Save where otherwise expressly provided in this Agreement, in the event that any dispute arises between the Council and the Company (but for the avoidance of doubt not the Security Trustee and/or any Beneficiary and/or any Finance Party or other funder) in connection with this Agreement, the parties shall, in the first instance, use their reasonable endeavours to resolve it amicably between them in accordance with the procedure set out below:-

19.1 The Company will offer each Non-Secure Tenant an assured shorthold tenancy in the Company's then standard form and at the rent, service charge and furniture costs contained in the Annexe 1. The Company will collect the rent, service charge and furniture costs and remit the sum of £30 per week for each Non-Secure Tenant furniture costs to the Council monthly in arrears. The Council will be responsible for paying the contractor for such furniture costs. The Company will not increase the rents, service charge or furniture costs without prior written consent of the Council.

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- 22.1.1 **Stage 1** representatives of the parties in dispute (being the officers having day to day conduct of the area the subject of the dispute) shall meet within 3 Business Days; if they are unable to agree a unanimous resolution at such meeting or if there shall be no appropriate officers of each of the parties available to attend such meetings – then move to Stage 2.
- 22.1.2 **Stage 2** the matter shall be referred for determination by the principal officer of the Council and of the Company respectively or their nominated deputies. Such persons to meet within 3 Business Days of the referral of the dispute to them by any of the parties in dispute.
- 22.1.3 In seeking to resolve any dispute considered under Stage 1 or Stage 2 the parties shall apply the following principles:-
- (i) A spirit of mutual trust and co-operation;
  - (ii) Both parties shall bear their own costs;
  - (iii) Any unanimous decision shall be implemented.
- 22.2 Disputes remaining unresolved after following the procedure set out in Clause 22.1 shall be referred:
- 22.2.1 if the parties to the dispute so agree, to an Expert; or otherwise
- 22.2.2 to the exclusive jurisdiction of the Courts of England.
- 22.3 Any matter or dispute to be determined by an Expert under the Agreement shall be referred for determination to a person suitably qualified to determine such matter or dispute and who shall be nominated jointly by the parties to the dispute or failing such agreement within seven days to such person as may be appointed, on the application of either of the parties to the dispute by the President for the time being of the Law Society.
- 22.4 The Council and the Company shall on request promptly supply to the Expert all such assistance, documents and information as he may require for the purposes of his determination.
- 22.5 The Expert shall be deemed to act as an expert and not as an arbitrator and his determination shall (in the absence of manifest error) be conclusive and binding upon the parties.
- 22.6 The costs of the Expert appointed under this Clause 22 shall be borne equally by the Company and the Council save as may be otherwise directed by the Expert.
- 22.7 Any reference that may be proposed to be made by either of the parties to the dispute of any matter to be determined by the Expert shall be made in the manner provided in this Clause 22.
- 22.8 For the avoidance of doubt the provisions of this Clause 22 shall not extend to any dispute or difference between the parties hereto and the Security Trustee and/or any Beneficiary and/or any Finance Party or other lenders out of or in connection with this Agreement.

## 23. NOTICES

Any notice to be given hereunder shall be in writing and shall be sufficiently served if delivered by hand and receipted for by the recipient or sent by the Recorded



Delivery Service addressed in the case of the Council to the Chief Executive at The Town Hall, Mulberry Place, 5 Clove Crescent, London, E14 2BG or in the case of the Company to its [Chief Executive] at Pilgrim House, High Street, Billericay, Essex CM12 9XY or to such other addresses as either party may from time to time notify to the other in accordance with the provisions of this Clause.

#### **24. NON-MERGER**

Each of the obligations undertaken by the parties to this Agreement shall (unless already performed) continue in full force and effect notwithstanding the Completion Date of the transfer of the Property.

#### **25. VAT**

25.1 Save as otherwise stated herein the amount of any payment or the value of any supply is expressed in this Agreement exclusive of Value Added Tax properly chargeable thereon and where any payment or taxable supply falls to be made pursuant to this Agreement such VAT (subject to the supplier providing a valid VAT invoice to the recipient) shall be paid in addition by the recipient of the supply for which the payment (if any) is consideration.

25.2 The Council warrants and undertakes to the Company that neither the Council (nor any "relevant associate", to be construed in accordance with paragraph 3 of Schedule 10 to the Value Added Tax Act 1994, of the Council) has, or will at any time, make an election pursuant to paragraph 2 of Schedule 10 to the Value Added Tax Act 1994 to waive exemption in relation to the Property (or any part thereof). In the event that the Council (or any such "relevant associate") has made or makes an election in breach of this Clause 25.2, the Price shall be deemed to be inclusive of any VAT which is chargeable on the supply or supplies for which such sums (or any part thereof) is the whole or part of the consideration for VAT purposes and section 89 of the Value Added Tax Act 1994 shall not apply to affect the amount of the Price.

25.3 Where any party is required by the terms of this Agreement to reimburse any other party for any cost or expense, such first party shall reimburse or indemnify such other party for the full amount of such cost or expense, including such part as represents VAT, save to the extent that such other party is entitled to credit or repayment in respect of such VAT from HM Customs & Excise.

25.4 The Council hereby warrants that it has not waived exemption from VAT in respect of the Property (or any part thereof) and undertakes not to elect to so waive at anytime except where obliged by law to do so.

25.5 In the event that any part of the VAT shown on the VAT invoice submitted by the Company to the Council in respect of the Development Agreement is deemed by Customs and Excise at any time as irrecoverable by the Council, the Company shall forthwith raise a credit note for that part and shall pay to the Council such sum as equals the amount of VAT that the Council is obliged to pay or repay together with any penalties or interest payable by the Council within fourteen days of demand.

#### **26. DATA PROTECTION ACT 1998**

26.1 The parties to this Agreement acknowledge that they are subject to the provisions of the Data Protection Act 1998 ("the Act") insofar as the Act shall apply to the provisions of this Agreement (including the Schedules hereto from time to time) and the parties warrant that they shall comply with the eight data protection principles set out in the Act for so long as they hold information governed by the Act and in

particular the parties warrant that they and their servants and agents shall at all times safeguard information held from unauthorised access or disclosure.

- 26.2 The Company hereby warrants to the Council that it has or will when necessary forthwith apply for and thereafter maintain for so long as is reasonably necessary registration as a data controller under the Act and shall meet all associated registration costs.
- 26.3 The Council hereby warrants to the Company that it has or will when necessary forthwith apply for and thereafter maintain for so long as is reasonably necessary registration as a data controller under the Act and shall meet all associated registration costs.
- 26.4 The Council and the Company hereby warrant that they shall use information provided by the other only for the purposes which (a) are permitted by the provisions of this Agreement and the Schedules hereto and (b) are permitted for the purposes of the Act, and not further or otherwise.
- 26.5 Each party shall save and keep the other party fully and sufficiently indemnified against any liability arising from any breach of their respective warranties contained in sub-Clauses 26.2, 26.3 and 26.4.

## **27. CONFIDENTIALITY**

- 27.1 Subject to Clause 27.2 neither party (including their respective agents employees or representatives) shall without the prior written consent of the other disclose or suffer to be disclosed any parts of this Agreement which are of a genuinely commercially sensitive nature or where disclosure would infringe the legal rights of an individual except and to the extent that disclosure may be necessary to:
- 27.1.1 comply with the Freedom of Information Act 2000 and any other enactment or rule of law;
- 27.1.2 meet the requirements of the Housing Corporation; and
- 27.1.3 provide information to the Security Trustee and/or any Beneficiary and/or any Finance Party any lenders and future lenders and their respective agents, employees or representatives or professional advisors.
- 27.2 Neither party shall unreasonably withhold or delay its consent to a request by the other party as set out in Clause 27.1 above.

## **28. NON-ASSIGNABILITY**

- 28.1 The Council may not assign its benefits and obligations under this Agreement save (if relevant) to a statutory successor.
- 28.2 The Company may assign its benefits and obligations under this Agreement to
- 28.2.1 the Security Trustee and/or any Beneficiary and/or any Finance Party and their successors in title and assigns by way of security for its obligations (present future actual or contingent) under or in connection with the Loan Agreement or any Refinancing Agreement and a liquidator or administrator or any receiver or other person or entity entitled to enforce any such security may enter into any assignment of this Agreement; and/or
- 28.2.2 any Registered Social Landlord to which all or a substantial part of the Undertaking shall be transferred.

- 28.3 The Security Trustee, any Beneficiary or any Finance Party or other Registered Social Landlord to whom this Agreement has been assigned may assign its benefits and obligations under this Agreement to a new agent, security trustee, Beneficiary or Finance Party for the purposes of any Loan Agreement or any Refinancing Agreement or any other financier holding over any parts of the Property.
- 28.4 Any liability which accrues to the Council as a result of any assignment shall not have the effect of creating any further or additional liability than would have arisen had the assignment not taken place **PROVIDED THAT** for the avoidance of doubt the Council confirms and agrees that this provision does not affect its liability under the Collateral Warranty in favour of the Security Trustee in the form set out in Part I of the Sixth Schedule or any liability or losses which the Security Trustee any Beneficiary or Finance Party may establish that it is entitled to in law or equity as a consequence of any breach or non observance by the Council of any provisions of this Agreement.
- 28.5 The Council agrees not to contend that any permitted assignee of this Agreement shall be precluded from recovering under this Agreement any loss resulting from any breach of this Agreement by reason that:
- 28.5.1.1 such assignee is not an original party to this Agreement; or
- 28.5.1.2 the Security Trustee, any Beneficiary or Finance Party or Registered Social Landlord or any intermediate assignee has itself suffered no loss provided that loss has been suffered by the assignee claiming against the Council; and
- 28.6 Terms used in this Clause 28 shall, save where the context otherwise requires, have the same meanings as in the Loan Agreement or Refinancing Agreement as applicable.

## 29. LAW

This Agreement shall be governed by and construed in accordance with English Law.

## 30. WAIVER

No delay or omission by either party hereunder to any right, power or remedy shall operate as a waiver thereof, and any single or partial exercise thereof shall not preclude any other or further exercise thereof or the exercise of any right, power or other remedy. The rights and remedies provided in this agreement are cumulative and not exclusive of any right or remedy provided by law.

## 31. COVENANTS

Save as set out in the Transfer the covenants and undertakings of the Company shall not form encumbrances on the Company's title to the Property.

## 32. RIGHTS OF THIRD PARTIES

Save where otherwise expressly or impliedly stated no express third party right and no purported third party right is conferred or intended to be conferred by this Agreement or any contract deed or instrument entered into under or in connection herewith pursuant to the Contracts (Rights of Third Parties) Act 1999 **SAVE THAT** the provisions of this Clause 32 shall not prejudice any claim under any warranty deeds to be entered into by the Council pursuant to Clause 7 hereof [nor the charging or assignment to the Security Trustee and/or any Beneficiary and/or any

Finance Party of this Agreement] and any contract or instrument entered into in connection herewith for the benefit of themselves and their successors in title or of the Property nor shall the provisions of this Clause 32 affect any right or remedy of a third party which exists or is available apart from the said Act.

**33. SEVERANCE**

If any provision of this Agreement or its application to any person or circumstance is void or unenforceable then such provision or application shall be severed from this Agreement so that the validity of the remainder of this Agreement and the application of such provision to such other person or circumstances shall not be affected by such severance.

**34. EXCLUSION CLAUSE (MORTGAGEE)**

Save and except for the Collateral Warranty or where expressly stated otherwise the provisions of this Agreement and of any agreements or deeds which are supplemental hereto shall not bind any mortgagee or chargee of the Company or any mortgagee or chargee of the Company's successors or any receiver appointed by any such mortgagee or chargee nor any successors in title of any such mortgagee, chargee or receiver or of the Company or the Company's successors acting through such receiver.

**IN WITNESS** whereof the parties hereto have executed and delivered this document as a Deed the day and year hereinbefore written.

Committee: Cabinet	Date: 7th November, 2007	Classification: Unrestricted	Report No:	Agenda Item No:
Report of: Corporate Director of Development and Renewal		Title: Progressing leaseholder buy-backs to enable RSL regeneration schemes.		
Originating Officer(s): Jackie Odunoye (Interim Service Head Housing Strategy & Development) / Niall McGowan (Housing Regeneration Manager)		Wards Affected: Blackwall and Cubit Town; Bromley by Bow; Mile End East; Spitalfields and Banglatown;		

## 1. SUMMARY

- 1.1 This report seeks delegated approval to make a series of compulsory purchase orders (CPOs) to assist the Council's registered social landlord (RSL) partners to fulfil their regeneration commitments on a number of estates. The estates concerned have all been transferred to the RSL landlords following ballots of residents under the Council's housing choice programme.

## 2. RECOMMENDATIONS

Cabinet is recommended to:-

- 2.1. Authorise the Corporate Director of Development and Renewal 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, shall be acquired by Compulsory Purchase Orders, if necessary;
- 2.2 Authorise the Corporate Director of Development and Renewal to include, in any of the CPOs referred to in recommendation 2.1 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 2.1 above), between consideration of the report and the making of the CPO;

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### Local Government Act 1972 (as amended) Section 100D

#### List of "Background Papers" used in the preparation of this report

Brief description of "Background paper"  
of holder and address where open

Name and telephone number

Stock Transfer Offer  
Documents and working papers  
supplied by RSL partners

Niall McGowan (ext 2538)

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- 2.3 Note that the authorisation of the Corporate Director of Development and Renewal to make the CPOs referred to in recommendations 2.1 and 2.2 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, should the Assistant Chief Executive (Legal Services) consider this appropriate;
- 2.4 Agree that the use of CPO powers in the cases where this is recommended in this report is exercised after balancing the rights of the individual property owner with the requirement to obtain possession in the public interest; and
- 2.5 Agree 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.

### **3. BACKGROUND**

- 3.1 This report updates Members on regeneration work currently underway by three of the Council's social landlord partners (RSLs), on six estates, which have been transferred through the housing choice process.
- 3.2 The estates concerned are:-
- Leopold and Bow Bridge Estates (Poplar HARCA)
  - Holland, British Street and Christchurch Estates (EastEnd Homes)
  - Crossways Estate (Swan Housing Association).
- 3.3 The report seeks approval for measures which will be required to help these RSL landlords carry out their planned redevelopment work, and achieve the regeneration aims which were integral to the transfer of these estates.
- 3.4 The regeneration work across these estates comprises a combination of comprehensive refurbishment and redevelopment with the construction of new homes for rent and sale. An outline of the regeneration activity proposed for each estate is set out in the report.

### **4. LEASEHOLDER BUY-BACKS**

- 4.1 Poplar HARCA, EastEnd Homes and Swan Housing Association each have regeneration proposals for the estates listed in para.3.2 which require the vacation of residential and/or shop premises in specific housing blocks, or streets.

- 4.2 HARCA's proposals include the repurchase of a number of leasehold or freehold interests, with provision for the affected owners who currently live in the properties to remain on the estate if they wish, via the take-up of alternative leaseholds to new or refurbished properties.
- 4.3 Alternatively the leaseholders whose homes are purchased may choose to make their own arrangements. The general provisions of each RSL's proposed buy-back options for leaseholders were explained in the leaseholder consultation documents issued by the Council to dwelling leaseholders prior to the transfer ballots on each of these estates, the exception being Christchurch Estate (Island Gardens Estate transfer) where proposals affecting the leaseholders of Capstan House have been developed since transfer.
- 4.4 Specific provisions are proposed in the schemes where shop leaseholders are to be displaced, and these are set out in section 5 of the report where applicable.
- 4.5 When leaseholders' homes are repurchased, they receive the full current market value of their property. Leaseholders who occupy their properties as their "principal" homes receive an additional 10% of the final market value as a statutory "Home Loss" payment. Leaseholders who do not occupy their homes may be eligible for an extra 7.5% of the purchase price as a "Basic Loss Payment," if they have maintained their flat well.
- 4.6 To help displaced leaseholders move to their new homes, their reasonable moving costs are paid: for example, solicitors' and valuers' professional fees, the hire of private removal companies, disconnection and reconnection of cookers, washing machines, and all associated domestic costs of moving from one property to another, including an allowance for carpets and curtains etc. Where a resident leaseholder makes their own arrangements, the RSL meets the reasonable cost of stamp duty.
- 4.7 In addition to this standard option set out in paras. 4.2 - 4.5 above, which reflects the Council's own approach to leaseholder buy-backs, the RSLs may be able to offer further options when they are purchasing leaseholders' homes. These options have been developed in consultation with affected home owners, usually prior to the stock transfer ballots of residents.
- 4.8 For example, Poplar HARCA also offers lease swaps and conversion to shared equity or shared ownership, where there is insufficient capital in the existing property to enable the displaced leaseholder to purchase a new replacement home at full cost.

4.9 Swan HA and EastEnd Homes offer leaseholders the same additional options as HARCA. They may also offer a “do it yourself” shared ownership option, for residential leaseholders prepared to find their own replacement properties.

4.10. The aim of all three RSLs is that leaseholders are treated fairly and that resident leaseholders have opportunities to remain living on the improved estate if this is their preference.

#### **4.11 Compulsory Purchase Order**

Each of these RSL schemes is at a different stage, which is reflected in the extent and progress of negotiations with individual leaseholders to date. However they share a common requirement for the Council to assist them in carrying out all the necessary steps to secure vacation, including the making of a Compulsory Purchase Order, to ensure that those properties identified can be acquired by Compulsory Purchase Order if necessary. Appendix 1 lists the leasehold interests affected.

4.12 Each RSL will continue to prioritise and pursue its own voluntary negotiations with the affected leaseholders and to respond sensitively to their specific issues and concerns. However given the scale of the proposed projects, the overall regeneration benefits to the residents of the affected blocks and the communities of each estate as a whole - along with the need to start redevelopment within programmed timescales - it will be necessary to begin CPO processes on the remaining residential and (where applicable) commercial leasehold interests, in tandem with negotiations by the RSL.

4.13 RSLs are not empowered to make compulsory purchase orders, but it is well established that local authorities can make a CPO, for the RSL to secure the regeneration. A recent example in Tower Hamlets is Priestman Point on Crossways Estate, on which the Council made a CPO to expedite the first phase of the SRB6 refurbishment scheme by Swan HA. The same provision was also agreed by Cabinet when the transfer of East India Estate to Poplar HARCA was agreed on 4<sup>th</sup> July, 2007.

4.14 The CPO process will be managed in close liaison between the Council and the RSL landlord of each affected estate, along with the residents concerned, to ensure that the leaseholders understand that the Council’s role in the CPO is to support the regeneration of the estate. The full cost of each CPO, and of the Council’s services, will be met by the RSLs.



- 4.15 It is therefore requested that delegated authority be given to the Corporate Director of Development and Renewal to make a series of CPOs - on the statutory grounds indicated in this report - for each estate, after consultation with the Assistant Chief Executive (Legal Services), to enable the buy-back of all interests in leaseholder properties identified in Appendix 1.
- 4.16 Authority is also sought to include in these CPOs any further properties which might be bought by tenants under a preserved right to buy, or right to acquire, in the housing blocks or streets identified in Appendix 1, It is necessary to include these rights since the Council and RSLs are under a statutory right to grant them, whether or not a Compulsory Purchase Order has been made and confirmed. It is therefore possible that the landowner will be compelled by law to grant a lease or transfer to an individual entitled after the CPO has been made. Apart from a voluntary sale, compulsory acquisition is the only way to re-acquire these leases.
- 4.17 Under Schedules 5 and 5A of the Housing Act 2004, the Council is entitled to block the grant of any of the interests mentioned in the preceding paragraph when it intends to demolish the building in which the dwelling house is situated. However this right does not apply to any application to buy made before 18<sup>th</sup> January 2005, and consequently there may be some cases where the landlord cannot block the grant of an interest mentioned in the previous paragraph. It is for those cases that the power to acquire, set out in paragraph 2.1.2 and explained in the previous paragraph is required.
- 4.18 When used all such properties will be listed in the Compulsory Purchase Order It is believed that all known cases are listed in Appendix 1, but paragraph 2.1.2 delegates power to the Corporate Director to add additional properties to any of the CPOs if further cases are identified at a later date, before the making of the relevant CPO
- 4.19 This measure is necessary, since an inability by the RSL to ultimately secure full vacant possession of the blocks could unnecessarily delay the wider regeneration schemes for these estates, delaying much needed improvements for existing residents. The making of a CPO will not diminish the RSL's efforts to secure vacant possession by negotiation with individual leaseholders.
- 4.20 Section 5 of this report briefly sets out the regeneration schemes on each of the estates for which the Council's RSL partners are seeking the Council's support, in the form of compulsory purchase orders.

- 4.21 The use a compulsory purchase order is taken very seriously by the Council. Prior to the Council making a CPO, the requesting RSL will be asked to demonstrate that it has been attempting to progress voluntary negotiations with all the leaseholders, freeholders or shop owners whose homes (or shops) are to be included: including those set out in Appendix 1 of this report.
- 4.22 The Council's RSL partners confirm that they have written to the leaseholders / freeholders of the addresses listed in Appendix 1, to state their intention to purchase these leasehold interests by voluntary negotiation if possible. The need to acquire most of the leaseholder interests listed in Appendix 1 was also indicated in pre-ballot consultation and described generally in the Leaseholder Consultation Documents, which preceded the transfer ballots (with the exception noted in para.4.3).
- 4.23 The Council will liaise with, and monitor, the RSLs regularly, to ensure as far as possible that they continue to attempt to negotiate with leaseholders before, or in tandem with any CPO which may be made.
- 4.24 There is a technical legal question as to which legal power a particular Compulsory Order will be made under. On the basis of the proposals being made in this report, there are two Acts under which orders could be made depending on the exact circumstances in each case.
- 4.24.1 The Housing Act 1985 section 17 authorises a CPO to acquire existing housing or land on which to build houses. It extends to the provision of recreation grounds, shops and other commercial premises and buildings serving beneficial purposes for the people who will occupy the dwellings (for example community centres) Guidance in Circular 06/04 states that a qualitative or quantitative gain in the housing stock must be shown to justify the making of a CPO.
- 4.24.2 The Town and Country Planning Act 1990 section 226 authorises the making of a CPO if the authority thinks that acquisition will facilitate the carrying out of development, re-development or improvement on or in relation to the land involved. However this must promote the economic, social or environmental well-being of the borough, and be in the public interest. Guidance in Circular 06/04 states that this can include housing development (where there is no qualitative or quantitative gain) and cases where other benefits are gained e.g road or rail improvements

- 4.25 The Guidance states that where possible specific power (e.g the Housing Act 1985) should be used rather than the more generic planning power. It is therefore necessary to determine in the case of each CPO whether all the reasons for acquisition fall within the Housing Act or not in which case the planning powers must be used. This judgement can only be made close to the making of the CPO, when all of the factors applicable are known.
- 4.26 Whether the housing or planning powers are used people affected by the CPO have similar rights to object, to be heard at a public inquiry and to receive compensation. However the grounds for acquisition depend on the Act used and consequently the basis for objection will differ between the Acts.
- 4.27 As the required judgement cannot be made at this time, and the general policy of this report is to delegate future decisions of detail to the Corporate Director, it is recommended that the decision as to whether to use the Housing or planning powers for the CPO is similarly delegated.

## **5. OUTLINE OF REGENERATION PROPOSALS**

### **5.1 Crossways Estate (Swan HA)**

- 5.1.1 Crossways Estate is located in the Bromley by Bow and Mile End East Wards of Tower Hamlets, which is in the 20% most deprived wards nationally. The Estate was transferred to Swan HA in March 2005. At the time of transfer it comprised 276 homes in 3 tower blocks (Priestman, Hackworth and Mallard Points) and 22 homes in a low-rise terrace (Holyhead Close); 260 of these homes were for rent, although many were let to non-secure tenants, and 40 were owned by leaseholders.
- 5.1.2 At Crossways, Swan is leading a major, SRB6 regeneration scheme that will provide vastly improved living conditions for the estate's residents and impact significantly on the quality of the surrounding area.
- 5.1.3 Spending more than £120 million, the scheme aims to provide new and improved homes, enhanced access and a better, safer place to live. Work is well underway on the infrastructure and construction of new affordable homes. Work is planned to start soon on the refurbishment programme, commencing with Priestman Point, following the making of an initial CPO for this block under a Cabinet authorisation of February 2005.

- 5.1.4 Grant funding and support from the Council, SRB, the Housing Corporation, the London Housing Board and Swan, together with cross subsidy from new and refurbished homes for sale, is being used to refurbish 276 existing flats in three tower blocks (Priestman Point, Hackworth Point, Mallard Point), and to build new homes of various tenures, following the demolition of mostly redundant garages and 22 homes at Holyhead Close.
- 5.1.5 The scheme will lead to the estate having approximately 712 homes in total, including 360 affordable homes (330 for rent and 30 for shared ownership), and around 352 for sale. It also includes significant infrastructure and environmental improvements. 73 homes built by Swan on an adjacent brownfield site at Campbell Road were used to enhance the Crossways project. A key benefit of the overall scheme is that it is enabling existing tenants with young children and others to move to new low-rise homes. In general terms the scheme will transform the Crossways Estate, leading to a qualitative and quantitative gain in homes and improved amenities.
- 5.1.6 **Purpose of the decant and leaseholder buy-backs on Crossways.**  
A rolling programme of rehousing tenants and the buy-back of leasehold properties is being carried out across the estate, linked to the provision of the new and refurbished homes. As at October 2007 there are 38 tenanted homes and 17 leasehold properties remaining within the total of 298 properties.
- 5.1.7 The three towers, Priestman Point, Hackworth Point, and Mallard Point, are being decanted prior to refurbishment.
- 5.1.8 The scale and intrusiveness of the major works required to these blocks is such that it would not be reasonable for tenants or leaseholders to remain in occupation throughout the works.
- 5.1.9 The process will involve considerable noise and inconvenience, including the removal of asbestos within flats, which will restrict access and use of amenities, and generate high levels of dust.
- 5.1.10 The decant and demolition of 1-43 Holyhead Close is necessitated by the new affordable housing development and infrastructure programme.
- 5.1.11 The Crossways scheme has outline planning permission to refurbish Mallard Point, Hackworth Point & Priestman Point & demolish Holyhead Close. This was granted 5 August 2005 with the signing of a Section 106 agreement, following approval at the Council's Development Committee 15 September 2004.
- 5.1.12 Conditional approval has been obtained to commence refurbishment work to Priestman, subject to approval of materials. Other required planning approvals for the later stages of the overall regeneration scheme are being sought.

- 5.1.13 Consultation with leaseholders across the estate has been extensive, both in terms of the general scheme and through ongoing efforts to negotiate terms with individual leaseholders for the purchase of their homes.
- 5.1.14 To date more than 20 leaseholders' homes have been successfully purchased across the estate by Swan through negotiation. The proposal for a CPO to cover Hackworth Point, Mallard Point, and Holyhead Close, is a precautionary measure, to help ensure overall delivery of the scheme. Swan will continue negotiations with approximately 17 remaining leaseholders in these blocks, including those who do not live on the estate.
- 5.1.15 The leasehold interests on Crossways to be included in the proposed CPO are set out in Appendix 1. Delegated authority to initiate and manage CPO processes for the leaseholder dwellings on Crossways was originally agreed by Cabinet in February, 2005, when the stock transfer was also agreed. On the basis of this Cabinet resolution an initial CPO was made for Priestman Point only, under housing grounds, to help expedite the refurbishment of this block.
- 5.1.16 This CPO was challenged by some of the affected leaseholders in Priestman but, following a Public Inquiry in July 2006, the inspector upheld the Council's case in his report and this was accepted by the Secretary of State, who confirmed the CPO on 28th November 2006. Since then several leaseholders have exercised their legal right to test the validity of the CPO in the High Court. A hearing on 20<sup>th</sup> September 2007 upheld the validity of the Priestman Point CPO and this is now being concluded.
- 5.1.17 Cabinet is asked to consider the updated information on the Crossways regeneration project provided in paras. 5.1.1 – 5.1.16 and agree the making of a CPO, to include the dwellings listed for Crossways in Appendix 1

## **5.2 Leopold Estate (Poplar HARCA)**

- 5.2.1 Leopold (and West Burdett) Estate is located in Mile End East Ward. It was transferred to Poplar HARCA on 1<sup>st</sup> August 2005. At transfer, the estate comprised 536 homes of which 409 were tenanted and 127 were leasehold.
- 5.2.2 Poplar HARCA proposes to invest over £50 million in the Estate over an 8 year period. Comprehensive regeneration includes full refurbishment to bring all homes up to the Government's Decent Homes Standard. This includes Callingham Close, Tunley Green, Wallwood Street; 1-28 Couzens House, 1-30 Grindley House, 1-46 Perley House, 1-56 Stileman House, 1-57 Whytelaw House, 1-36 Wilcox House, 1-77 Elmslie Point and 22-30 Leopold Street.
- 5.2.3 Works include improvements to the exterior of the blocks and the environment, addressing safety, security and access issues.

#### **5.2.4 Purpose of the decant and leaseholder buy-backs on Leopold.**

HARCA's programme also entails the demolition and redevelopment of 166 properties in:-

- Ackroyd Drive (Nos. 1-6, 7-18, 19-42, 43-60 and 61-78), including four freehold houses, and
- Shelmerdine Close (Nos.1-14, 15-46, 47-70, 71-88), to be replaced with a mixture of new homes for rent and for sale.

5.2.5 The redevelopment will contribute to the overall regeneration of the area, providing approximately 149 new homes for rent, 23 for shared ownership, and 308 homes for private sale, providing essential cross-subsidy to help fund the refurbishment of the rest of the estate. Subject to planning approval, which will be sought in November 2007, and the successful outcome of decants and leaseholder buy-backs, it is envisaged that Shelmerdine Close will be demolished in late 2009, (Nos.1– 14 having already been demolished), with Ackroyd Drive following in 2011.

5.2.6 Leaseholders have been consulted by Poplar HARCA about the scheme. Negotiations with six of the individual leaseholders/freeholders are underway. To date some 9 leases have been successfully purchased by Poplar HARCA through negotiation and 8 remain.

5.2.7 The proposal for a CPO, to include leaseholder interests in Ackroyd Drive and Shelmerdine Close, is a precautionary measure to help ensure overall delivery of the scheme. HARCA will continue negotiations with the remaining leaseholders, including those who do not live on the estate.

5.2.8 The leasehold interests on Leopold to be included in the proposed CPO are set out in Appendix 1.

### **5.3 Bow Bridge Estate (Poplar HARCA)**

5.3.1 Bow Bridge Estate is located in Bromley by Bow Ward. It was transferred to Poplar HARCA on 27<sup>th</sup> November, 2006. At transfer, the estate comprised 297 homes in 9 blocks, of which 245 were tenanted and 52 were owned by leaseholders.

5.3.2 Within 6 years after transfer, Poplar HARCA intends to spend over £20 million on the Estate. A programme of redevelopment and refurbishment will bring the properties up to modern standards and make them more comfortable and safe to live in. Phased refurbishment works are being carried out to 203 homes at Henshall Point, Dorrington Point, Ballinger Point, Insley House, Hardwicke House and 39 Arnold Road. Refurbishment work could commence in Spring 2008.

**5.3.3 Purpose of the decant and leaseholder buy-backs on Bow Bridge Estate.**

HARCA's full regeneration proposal, subject to planning permission, also entails the phased demolition of 93 homes in Warren House, 1–20 Fairlie Court, 8 to 42 & 92 to 96 Rainhill Way, and 40-49 Stroudley Walk, plus 15 shops located in Stroudley Walk and 5 shops in Bromley High Street.

5.3.4 It is proposed that these blocks would be replaced with a mixture of new social rented and private sector housing, and a new local shopping centre. The scheme will provide approximately 100 new homes for rent and 338 new homes for private sale, subject to the resolution of detailed design and planning issues and further modeling on proposed unit numbers and mix. All income from the sale of private flats will be re-invested in the wider regeneration scheme.

5.3.5 The shopping centre will provide a new community focus. The centre may include a new community health care facility, expanding the existing GP surgery, subject to agreement with the Primary Care Trust.

5.3.6 HARCA's proposals were developed as a result of consultation primarily in response to residents' concerns about safety, security and the reduction of anti-social behaviour, especially around the Fairlie Court, Warren House and Stroudley Walk area. Poplar HARCA's offer document reflected this proposal with the scheme providing an opportunity to:

- provide new, better quality homes for decanted tenants;
- relocate the shops and other community facilities into a better defined commercial area around Bromley High Street, wherein shop owners and market stall holders would benefit from increased trade;
- relocate and provide a new community facility for residents and potentially a new modern health centre;
- bring private homes for sale into the area, providing a more balanced and mixed community;
- create safer and better links between Bow Bridge and neighbouring Crossways Estate, and other facilities within the area;
- create a strong boundary to the estate, enhancing security;
- reduce anti-social behaviour and crime on the estate;
- reduce the costs of certain services provided to the Estate as a whole, through the provision of more flats contributing to service charges;
- utilise ground rents from the new flats for sale to help pay for community services on the estate;

5.3.7 The extensive estate redevelopment scheme is presently being developed to address planning requirements. HARCA advises that planning applications are likely to be submitted from late Autumn 2007, with demolition and redevelopment work scheduled in the following indicative phases, which will be reviewed within the planning process.

- Phase 1 and 2: refurbishment.
- Phase 3: construction of replacement social housing on vacant sites as identified in the formal consultation document.
- Phase 4: decant of Warren House homes and potentially Rainhill Way homes into new (phase 3) homes and construction of new homes on the Warren House site.
- Phase 5: relocation of residents in Stroudley Walk and building of new homes to provide accommodation for Fairlie Court residents.
- Phase 6: redevelopment of Fairlie Court.
- Phase 7: demolition and redevelopment of Rainhill Way properties.

5.3.8 Leaseholders have been consulted generally by Poplar HARCA about the scheme through the stock transfer proposal and ballot process. Some 25 dwelling leases and 20 shop leases will need to be bought out by Poplar HARCA or transferred to new accommodation. Buy-back negotiations with individual dwelling leaseholders are now underway and HARCA reports that 2 completions are due shortly.

5.3.9 Negotiations with 20 shop leaseholders will commence in tandem with the design process, in Autumn/Winter 2007/08, once the planning application is ready for submission to LBTH: shop keepers were consulted on the proposals in the lead-in to the transfer ballot in 2006.

5.3.10 The shops affected are listed in Appendix 1. It is proposed by HARCA that replacement shop units for those demolished will be relocated in the new retail development and that existing shop leaseholders will be relocated to these if they do not wish to be bought out and make their own alternative arrangements.

5.3.11 HARCA's proposals for shop relocation should not result in loss of income as temporary replacement shops will be provided at ground floor level in the new housing blocks at Stroudley Walk, pending construction of new, purpose built, permanent shop units in the new shopping hub at the top of Bromley High Street.



5.3.12 The proposal for a CPO, to include leaseholder interests in the addresses listed in Appendix 1, is a precautionary measure to help ensure overall delivery of the scheme. HARCA will continue negotiations with the remaining dwelling leaseholders, including those who do not live on the estate, and with shop leaseholders, to seek to achieve a complete decant without the full execution of the proposed CPO.

#### **5.4 Holland Estate (EastEnd Homes)**

5.4.1 Holland Estate is located in Spitalfields and Banglatown Ward. It was transferred to East End Homes on 13<sup>th</sup> November 2006. The estate comprises 401 homes in 11 blocks, of which approximately 188 are tenanted and 213 are owned by leaseholders.

5.4.2 East End Homes' estate-wide regeneration scheme at Holland will refurbish 11 blocks to bring tenanted homes up to Decent Homes standards. The programme of works includes upgrading of the internal facilities and also external works, such as lift installation, landscaping and communal areas.

#### **5.4.3 Purpose of the decant and leaseholder buy-backs on Holland Estate.**

East End Homes' key proposals also include the demolition and redevelopment of the area located around the base of Denning Point. This was identified as a priority for regeneration through a master-planning exercise conducted by the Holland Estate Steering Group. The Denning Point area suffers considerable anti-social behaviour and is characterised by a lack of investment in the building fabric and communal areas. This has resulted in low levels of security to the blocks and inefficient land use particularly in communal and external areas.

5.4.4 Resident and stakeholder objectives for the estate were prioritised through master planning. In order to achieve these aims a development scheme has been proposed which includes new affordable rented homes to help address local needs and private homes for sale, new shop units, community facilities, landscaped areas and public open space. This has been subject to detailed consultation.

5.4.5 At this stage it is anticipated that there will be at least 70 new affordable rented homes and 200 homes for sale. Capacity studies are currently in progress and initial indications are that these figures could increase. The new homes for sale will generate cross-subsidy which will contribute to the overall business plan by helping to fund the new rented homes and the wider regeneration of the area.

5.4.6 Subject to detailed design and planning issues, and the achievement of the proposed decants, redevelopment work will start in 2009/10. Formal submission of a full planning application is projected for Spring 2008.

- 5.4.7 The demolition and redevelopment area comprises three low rise blocks – Bradbury and Ladbroke Houses and 28 – 42 Old Castle St. comprising 26 homes in total.
- 5.4.8 These 2 storey blocks are built on a podium deck with shop units below. In addition to 12 leaseholders’ dwellings, some 12 shop units are proposed for demolition, and the leasehold interests in these will also need to be purchased, if possible through negotiation, to enable the planned redevelopment. Details of both dwelling and shop leasehold interests requiring buy-out by East End Homes are listed in Appendix 1.
- 5.4.9 The dwelling leaseholders were consulted prior to and since ballot and commercial lessees have been kept informed. Both groups will be fully engaged throughout the design development consultation. The Council’s Offer Document for Holland confirmed that the existing tenants and leaseholders affected by the redevelopment would be offered new homes in the redeveloped blocks.
- 5.4.10 Similarly the Holland Offer Document states that new retail units will be provided in place of the blocks that are demolished, as part of the regeneration programme. Businesses displaced by redevelopment will be relocated, wherever possible, within the new development if this is their choice.
- 5.4.11 Negotiations with both dwelling and shop leaseholders are at an early stage. The proposal for a CPO to include leaseholder interests in the addresses listed in Appendix 1 is a precautionary measure to help ensure overall delivery of the scheme. East End Homes will continue negotiations with dwelling leaseholders, including those who do not live on the estate, and with shop leaseholders, to seek to achieve a complete decant without needing to rely on the full execution of the proposed CPO unless it is absolutely necessary.

## **5.5 Capstan House, Christchurch Estate (EastEnd Homes)**

- 5.5.1 Capstan House is located on the Christchurch Estate, in Blackwall and Cubit Town Ward. It was transferred to East End Homes as part of Island Gardens on 16<sup>th</sup> January 2006. The block comprises 24 homes, of which 3 are owned by leaseholders. Among the 21 rented properties there are a number of non-secure tenancies (homeless families awaiting permanent housing) and 3 void units. Capstan House is in need of extensive repair.

5.5.2 Most of the Christchurch estate was built in the 1960's and 70's. Capstan House includes 12 bedsits which are considered to be poor and inappropriate accommodation throughout the housing stock in London Borough of Tower Hamlets. The area where Capstan House is located comprises 6 blocks fronting Manchester Road. Most are 3 and 4 storey maisonettes, but there is also one 10 storey block. The blocks are set around landscaped courts of variable quality and openness. The open spaces suffer from anti-social behaviour, which require measures to improve security and supervision. The majority of blocks will be refurbished internally, for tenants, and externally for all residents to the Decent Homes standard.

**5.5.3 Purpose of the decant and leaseholder buy-backs at Capstan House.**

Following master-planning consultation, East End Homes plans the redevelopment of Capstan House to provide more modern, appropriately sized accommodation, and to address the layout of the area in which the block is situated. At present in the area there are a number of poorly defined open spaces and the boundary of the site is also not clear. The proposed scheme is for 90 flats which would include around 39 affordable homes, in an overall mix of 1, 2, 3 and 4 bed units.

5.5.4 The scheme, incorporating the provision of some homes for sale, has been developed in the context of the wider improvement of Island Gardens. The intention is to consider linking the two blocks currently adjacent to Capstan House, with a new block creating a street frontage and securing open space to address anti-social behaviour. If the scheme is implemented the increased density is primarily achieved by a much more efficient use of the existing land.

5.5.5 East End Homes advises that the approximate timescale for the redevelopment would be 19 months, commencing in 2009, subject to planning approval, which is to be sought in 2008. Detailed design work is presently underway.

5.5.6 Negotiations with the 3 leaseholders in Capstan are at an early stage. The proposal for a CPO, to include leaseholder interests in the addresses within Capstan House, listed in Appendix 1, is a precautionary measure, to help ensure overall delivery of the scheme.

5.5.7 East End Homes will continue negotiations with the leaseholders to seek to achieve a complete decant without the full execution of the proposed CPO unless it is absolutely necessary.

**5.6 British Street (EastEnd Homes)**

5.6.1 British Street Estate is located in Mile End East Ward. It was transferred to East End Homes on 11<sup>th</sup> April 2005. At transfer the estate comprised 500 homes in

11 blocks, of which approximately 410 are tenanted and 90 are owned by leaseholders.

5.6.2 The regeneration proposals stem from extensive resident consultation over a four year period. EastendHomes has outline planning approval (granted 31<sup>st</sup> January 2007) for a scheme which will invest more than £50 million within the area over a five year period. The estate-wide regeneration scheme will:-

- bring all existing homes to 'Decent Homes Plus' standard, and significantly improve the built exterior of the estate;
- enhance the quality and improve the amenity of the landscaping of the estate, making it more secure and safe;
- provide a quality development and enhance the character and appearance of the estate and local area;
- contribute to the diversification of the existing tenure mix, providing new homes for rent and private sale, with cross-subsidy from the latter helping to fund the overall regeneration of the area;
- provide new community facilities and shops.

**5.6.3 Purpose of the decant and leaseholder buy-backs at British Street.**

The proposed redevelopment scheme requires the demolition of one block, 2-12 Merchant Street, containing 4 rented homes, 6 shops and an adjoining community hall.

5.6.4 [One of the shops is used under license for community use.](#) Vacant possession will be required to allow the works to proceed as planned. A mixture of homes for rent and sale will be provided on this site, along with 5 new, replacement shops. A new community centre, is under construction nearby, which will offer new premises for displaced community groups, .

5.6.5 Planning permission has been granted on the site of the shops for 39 homes for private sale, within a planning approval for a wider area.

5.6.6 Negotiations with shop lessees are ongoing and include provision for relocation in the new units. Of the 6 retail units scheduled for development one is currently let under license for community business provision and will be relocated as part of the community facilities re-provision; 3 three other retail units are currently occupying under license due to expiry of their leases. The replacement retail units will be built and ready for occupation before any need to start work on the existing shops site, ensuring that any temporary re-provision is unnecessary. This ensures one move only and minimises disruption of trade.

5.6.7 The proposal for a CPO, to include the shops listed in Appendix 1, is a precautionary measure, to help ensure overall delivery of the scheme.

- 5.6.8 No special circumstances which might affect the proportionality test required under the Human Rights test is known in any of the above cases.

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

- 6.1 The Council is empowered by law to make Compulsory Purchase Orders to acquire land and can use this power to assist with a developer (in these cases housing associations). Since this deprives people of their property against their will it is always the last resort and should be preceded by vigorous attempts to buy the land by agreement. The enhanced payments given by law and set out in paragraph 4.5 of this report are payable on voluntary purchase as well as under the CPO.
- 6.2 Depriving people of their property is a serious step and is not to be taken lightly. In this case the inclusion of specific properties in the proposed Compulsory Purchase Orders and the formal making of the Orders is proposed to be delegated to the Corporate Director of Development and Renewal. The properties involved and the circumstances in which the CPOs will be made (if needed) have been set out for members. This is a specific type of order to meet a particular but common circumstance. The Council's Constitution provides for this broad delegation of decision making in circumstances which include the present proposals. If members wish to exercise a more personal involvement in the process of authorising the making of the Compulsory Purchase Orders they should consider whether to approve this delegation or require the Orders to be individually authorised by Cabinet.
- 6.3 Whenever a Compulsory Purchase Order is made it is necessary to carry out a "balancing exercise" to judge whether it is in the public interest to make a CPO in view of the harm done to the interests of the individual. Against this should be placed the benefit of improved housing and amenities for all in the blocks involved and the benefit to the well-being of the community gained by the scheme. The impact of this harm is lessened by the existence of rights of objection and a statutory compensation regime which includes the payments set out in paragraph 4.5 above the market price to compensate for the involuntary nature of the process. This test is needed to be looked at now in general terms and, will be repeated by the Corporate Director in each case when the order is made, and will thereafter be subject to scrutiny by the inspector if there is a public inquiry. In the similar Priestman Point CPO, the inspector found that on the public interest test the Council's case was "compelling", but each case requires its own scrutiny.
- 6.4 A compulsory purchase order of a dwelling interferes with the Human Rights of the property owner under Article 8 of the European Convention (right to a home) (if he lives there), and also breaches the right to property under Article 1

of the First Protocol to the Convention. It is necessary to judge if these breaches are justifiable.

- 6.5 The Human Rights Act and the Convention makes clear that such breaches can be justified if the gain for the public interest is sufficient; the public gain must be proportionate to, or exceed, the individual loss. European case law establishes that the English system of proper regard to objection and fair compensation is proportionate and lawful, provided there is a good case for the CPO in the public interest. In general if the public interest case is well-founded the human rights test will be met in English cases. Exceptional circumstances may need individual consideration. However at present none are known.

## **7. COMMENTS OF THE CHIEF FINANCIAL OFFICER**

- 7.1 This report seeks approval to establish the mechanism for compulsory purchase order proceedings to be implemented, should the leasehold interest buyback programme not succeed in acquiring all the appropriate properties. Arranging for these back-up procedures to be put in place now will reduce any subsequent delays in the regeneration programme that will arise if agreements cannot be reached with individual leaseholders.
- 7.2 There are no direct financial implications for the Authority of this process. The costs of the purchases and associated compensation packages are borne by the Council's Registered Social Landlord partners. In addition, the cost of all officer time involved in the CPO process will also be recharged to the RSLs.

## **8. EQUAL OPPORTUNITIES AND ANTI-POVERTY IMPLICATIONS**

- 8.1 The social landlord partners whose regeneration schemes require the supportive Council measures proposed have adopted Equal Opportunities Policies and will implement procedures that reflect the needs and experiences of the communities they serve.
- 8.2 The improvements to the various estates through regeneration activity, which are outlined in this report, will provide a better quality of life for residents. The proposed CPO processes are intended to support and where necessary help enable major regeneration activity in these areas, which will direct resources to secure improved housing conditions. Producing better housing is integral to the core aims of these social landlord partners, along with more say for residents in the management of their homes and measures to promote community development and economic regeneration.

## 9. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT

- 9.1 The backlog of investment required to the Council's Housing Stock and lack of resources means that much of the Housing stock suffers from poor thermal efficiency resulting in higher than necessary fuel usage. Only if sufficient resources are identified will it be possible to introduce improvements. The regeneration activity outlined in this report will help to implement this.

## 10. RISK MANAGEMENT IMPLICATIONS

- 10.1 The key risks arising from this report are: -

Risk	Mitigating Actions
<p>Failure by RSL to secure vacant possession of the leasehold interests listed in Appendix 1</p> <p>Lengthy and costly delays to works programmes, which could also jeopardise wider regeneration proposals, for example if they depend on works to the affected sites for cross-subsidy, or replacement homes, to allow further decants within a rolling programme.</p>	<ul style="list-style-type: none"> <li>• Delegated authority sought to make CPO where required, to operate in tandem with negotiated procedures.</li> <li>• Regular liaison with social landlord partner to anticipate difficulties within their buy-back programmes and address these through the measures proposed in this report.</li> </ul>
<p>Failure to deliver the promises made to residents</p>	<ul style="list-style-type: none"> <li>• Covenants put in place at transfer.</li> <li>• Partnership agreement in place.</li> <li>• Monitoring and reporting arrangements put in place.</li> </ul>

## APPENDICES

This report has the following appendices:

**Appendix 1:** Schedule of leasehold interests to be repurchased.

**Appendix 2:** Map of borough, showing estates for which a CPO is proposed.

**Appendix 3:** Crossways Estate – map showing location of dwellings for which a CPO is proposed.

**Appendix 4:** Leopold Estate – map showing location of dwellings for which a CPO is proposed.

**Appendix 5:** Bow Bridge Estate – map showing location of dwellings and shops for which a CPO is proposed.

**Appendix 6:** Holland Estate – map showing location of dwellings and shops for which a CPO is proposed.

**Appendix 7:** Christchurch Estate – map showing location of dwellings for which a CPO is proposed.

**Appendix 8:** British Street Estate – map showing location of shops for which a CPO is proposed.



## Appendix 1

### Leasehold interests to be repurchased: listed for inclusion in the proposed precautionary compulsory purchase orders.

#### **Crossways Estate: Swan HA**

- Hackworth Point, Rainhill Way, E3 3ET: nos. 10, 42, 75, 91.
- Mallard Point, Rainhill Way, E3 3JE: nos. 6, 12, 16, 26, 31, 53, 56, 59, 68, 91.
- Holyhead Close, E3 4DU: nos. 5, 21, 35.

#### **Leopold Estate: Poplar HARCA**

- Shelmerdine Close, E3 4UY: nos. 57, 74, 80, 86.
- Ackroyd Drive, E3 4JY: nos. 1, 2, 3, 5 (Freehold houses)

#### **Bow Bridge Estate (Poplar HARCA)**

- Fairlie Court, E3 3HG: nos. 2, 4, 6, 7, 8, 9, 10, 13, 14, 15, 16, 17, 18, 20
- Stroudley Walk, E3 3EW: nos. 42, 46
- Warren House, Bromley High Street , E3 3HB: nos. 1, 4, 15, 22, 42
- Rainhill Way, E3 3JD: nos. 8, 14, 32, 42

#### **Shops:**

- Bromley High Street E3 3HB: nos. 22, 24, 26, 28, 28A
- Stroudley Walk, E3 3EW: nos. 2/4 (1 property), 6, 16, 18, 20, 22, 24, 26, 30, 31, 32/38 (1 property), 33, 35, 37, 39

### **Holland Estate (East End Homes)**

- Old Castle St 28-42 (Even) E1 7NT: no. 36.
- Ladbrooke House E1 7PA: nos. 2, 4, 6.
- Bradbury House E1 7NX: nos. 1, 5, 6, 7, 9, 10, 11, 12

### **Shops:**

- Commercial Street E1 6BD: nos. 21, 23, 25, 41
- Wentworth Street E1 7TF: nos. 56, 58, 60, 62, 70, 72, 74
- Kiosk, Old Castle Street E1 7NY: 44.


### **Capstan House, Christchurch Estate (East End Homes)**

- Capstan House E14 3DF: nos. 11, 16, 20.

### **British Street (East End Homes)**

### **Shops:**

- Merchant Street E3 4LP: nos. 2, 4, 6, 8, 10, 12.

<b>Cabinet</b> 4 March 2015	 <b>TOWER HAMLETS</b>
<b>Report of: Aman Dalvi, Corporate Director  Development &amp; Renewal</b>	<b>Classification:</b>  Unrestricted
<b>Handover (disposal) of land interests acquired by Compulsory Purchase Order (CPO) to and on behalf of Swan Housing (Hackworth Point &amp; Mallard Point).</b>	

<b>Lead Member</b>	<b>Councillor Rabina Khan, Cabinet Member for Housing and Development</b>
<b>Originating Officer(s)</b>	Robin Sager
<b>Wards affected</b>	Bromley North
<b>Community Plan Theme</b>	<b>A Great Place to Live</b>
<b>Key Decision?</b>	No

## Executive Summary

This report explains that it is necessary to formally transfer, to Swan Housing, 12 land interests, following the completion by the council of a Compulsory Purchase Order (CPO) process on the former Crossways Estate (now known as “Bow Cross”). There is a long-standing requirement for the Council to transfer these interests to Swan, as part of the estate transfer/regeneration agreement in 2005.

This is a paper exercise to formally end the leasehold interests of these properties, which are still registered at the Land Registry following their vesting to the Council at the conclusion of a CPO process in 2009. Although the council was contractually obliged to complete the CPO on Swan’s behalf, Swan paid the owners compensation for the properties and successfully took possession.. The action required will rectify the anomaly wherein the council retains titles to properties which have actually been acquired by Swan. This action is essential to enable Swan to take full ownership of the properties, which include flats on which private sales are due to complete, as the final stage of the regeneration programme.

## **Recommendations:**

The Mayor in Cabinet is recommended to:

1. Confirm the transfer to Swan Housing at nil consideration, of the following land interests acquired under Compulsory Purchase Order, for the purpose of delivering the Crossways Regeneration Scheme (Single Regeneration Budget 6):
  - No. 10 Hackworth Point, Rainhill Way, E3 3ET;
  - No. 91 Hackworth Point , Rainhill Way, E3 3EX;
  - No's. 6,12,16,26,31 Mallard Point, Rainhill Way E3 3JE;
  - No's 53,56,59,68,91 Mallard Point Rainhill Way, E3 3JF
2. Note that any transfer of property to Swan will require the consent of the Commissioners appointed by the Secretary of State.

## **1. REASONS FOR THE DECISION**

- 1.1 The Council made the CPO on behalf of Swan, in support of its regeneration programme. The decision to transfer the land interests only arises because they have been vested in the council on making the General Vesting Declaration (GVD). All costs involved are being met separately by Swan and the Council does not have any interest in retaining these sites, since they form part of a major regeneration on an Estate owned and managed by Swan, following large scale voluntary stock transfer in 2005.
- 1.2 There is a contractual requirement for the Council to transfer these interests to Swan, as part of the estate transfer/regeneration agreement in 2005.

## **2. ALTERNATIVE OPTIONS**

- 2.1 There is no alternative option. These properties have only been technically vested with the council. Any delay in handover will have critical cost implications for the Registered Provider. The regeneration work carried out by Swan has fulfilled commitments made to the local community and to the council, when the estate was approved for stock transfer.

## **3. DETAILS OF REPORT**

- 3.1 Authorisation to compulsorily purchase leasehold properties in Hackworth Point and Mallard Point was provided by Cabinet on 7 November 2007 (Agenda Item 7.1).
- 3.2 The CPO was made by the Council as "Acquiring Authority", to support Swan's regeneration in the area. The CPO process was deemed necessary

as a last resort, following repeated attempts by Swan Housing to consult and negotiate to seek possession of the remaining leasehold interests. Tower Hamlets Council used the compulsory purchase route to avoid disruption and jeopardy to the refurbishment programme to two tower blocks. A third block had already been through an earlier CPO process following Cabinet approval (February 2005), and was refurbished with priority to rehouse existing tenants and leaseholders from this estate. All land interests acquired under the earlier CPO were transferred to Swan, exactly as proposed now.

- 3.3 The council was required under the terms of the stock transfer to run a CPO process to facilitate Swan's regeneration of the estate, as part of the Council sponsored SRB6 regeneration process, and to transfer those titles once vested with the council as the CPO Acquiring Authority. Normally now the onward disposal to an RSL partner would be covered in the Cabinet decision at the point that a CPO is agreed, but this was omitted at the time and a formal decision to dispose is thus required.
- 3.4 The Secretary of State for Communities and Local Government recommended that the London Borough of Tower Hamlets Crossways Estate (Hackworth Point and Mallard Point) Compulsory Purchase Order 2009 be confirmed without modification following a Public Inquiry.
- 3.5 The acquisition and CPO costs were met fully by Swan, and there is no financial implication for the Council. Any delay in transferring these interests to Swan will have critical cost implications for Swan, whose business plan for the regeneration of the estate was underpinned by the disposal of Mallard Point for cross-subsidy funding.
- 3.6 The Council made a General Vesting Declaration (GVD) on the land interests, which at that time had not been acquired. Dated 23 December 2009, the GVD's sum total of cumulative surrender values compensated by Swan was £1,172,234. Added costs were later incurred by Swan for two of the properties once full and final settlement had been negotiated, with a final total of compensation being **£1,195,351**.
- 3.7 Although the former leaseholders were compensated by Swan in compliance with CPO good practice, the leases vested in the Council as the statutory body exercising CPO powers. There is no cost implication to the Council as the costs of acquiring the properties and making the CPO were paid for by Swan.
- 3.8 All of the sites vested with the Council cannot be transferred under Director's Action provisions as whilst their individual purchase values fall below the £250,000 threshold, cumulatively the value of the sites exceeds this.
- 3.9 As a former Tower Hamlets Council owned and managed housing estate, Crossways (now known as "Bow Cross") transferred to Swan Housing on 21st March 2005 following a 'Housing Choice' large scale voluntary stock transfer ballot of tenants and leaseholders in October 2004. In a process managed by

the Electoral Reform Society 90% of tenants and 88% of leaseholders voted 'Yes' to the transfer.

The following clauses in respect of the council's obligation to make a CPO were incorporated into the Transfer Agreement for the disposal of the Crossways Estate to Swan, which was approved by Cabinet 9 February 2005. ('The Company' being defined as 'Swan Housing Association Limited'). The last sentence of clause 16.3 refers to the disposal for which this approval is being requested:

*16.1 The Council will if requested by the Company resolve to make the Compulsory Purchase Order in relation to any Third Party Interests relating to any part of the Property and will proceed with due diligence towards the Compulsory Purchase Order and apply for confirmation by the Secretary of State. The Company will pay the Council's CPO Costs as soon as reasonably practicable after request from the Council.*

*16.2 Following the making of the Compulsory Purchase Order the Council will use all reasonable endeavours to have the Compulsory Purchase Order confirmed by the Secretary of State. Following the date when the Compulsory Purchase Order becomes operative or (if later) free from any legal challenge the Council will vest in itself or otherwise acquire the CPO land and immediately following such acquisition will subject to the payment by the Company of any outstanding CPO Costs transfer any freehold or leasehold interest in the same to the Company.*

*16.3 Notwithstanding the foregoing provisions the Company will use all reasonable endeavours to negotiate and acquire by agreement all Third Party Interests as expeditiously as possible and, subject to payment by the Company of all reasonable and proper acquisition costs, including legal and other costs, which the Company have approved (such approval not to be unreasonably withheld or delayed prior to the covenant incurring the same) the Council shall acquire such interests and as soon as reasonably practicable following such acquisition will transfer any freehold or leasehold interest in the same to the Company.*

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- 3.10 The CPO was confirmed by the Secretary of State following a Public Inquiry held on 12 August 2009, The inspector on behalf of the Secretary of State for Communities and Local Government recommended that the LBTH Crossways Estate (Hackworth Point and Mallard Point) Compulsory Order 2009 be confirmed without modification as there was 'a compelling case in the public interest for the Order to be made'. Resident leaseholders were rehoused by Swan Housing in fully refurbished homes in neighbouring Priestman Point at no extra cost to them. Costs of land acquisition, compensation, and of making the CPO, were paid by Swan Housing.
- 3.11 The Council has not paid monies to acquire these sites and it was intended to CPO them for the purposes of transfer to support Swan Housing's scheme.

There is no financial implication for the Council in transferring the vested land interests. Valuations for disposal purposes were made by Swan Housing's valuer, acting as the council's agent. The Hackworth Point properties, already refurbished and let as social rented homes, will be retained under Swan Ownership. The Mallard Point properties were agreed with Tower Hamlets Council at the point of transfer to be refurbished for private sale, to cross subsidise the regeneration scheme. This penultimate phase of the project is nearing completion. The transfer of the titles acquired by the council through CPO is essential to enable Swan to take full ownership of those properties, including flats on which private sales are due to complete in Mallard, as the final stage of the regeneration programme.

- 3.12 The regeneration programme, which is now almost completed, fulfilled commitments made jointly by the council and Swan to the local community when the estate was approved for stock transfer in 2005: Swan has delivered the overall scheme, achieving 489 affordable homes (457 for social rent), including an additional 100 homes which were switched from private to affordable tenure, thus exceeding the targets for the scheme. An SRB theme of 'Connecting Communities' has reconnected the estate with the wider neighbouring communities by footpath improvements and a new strategic access road. A new housing office serving the estate is already operational as is a new community facility.
- 3.13 The scheme at Mallard for refurbishment to sell will be completing in December 2014. Swan now needs to issue completion of sale notices to the purchasers of the flats which have been pre-sold. Swan must have legal title for all of these properties or it would be in breach of contract with those buyers.
- 3.14 Income from the Mallard Point units for sale is critical to Swan's business plan and to achieving the cross subsidy that underpinned their forward-funding for the social and community elements of the regeneration.
- 3.15 Another potential knock-on effect of failing to transfer these titles now, apart from raising issues around breach of contract by the council, would, Swan argues, be the risk of delay to other Swan projects, including Swan's investment at Blackwall Reach in Tower Hamlets.
- 3.16 On 17 December 2014, the Secretary of State pursuant to his powers of direction in section 15 of the Local Government Act 1999 appointed commissioners to oversee specified functions at Tower Hamlets. The Council will be required to obtain the prior written agreement of the commissioners before entering into any commitment to dispose of, or otherwise transfer to third parties any real property other than existing domestic property for the purposes of residential occupation. Therefore the commissioners will need to consent to the proposed disposal of the land interests to Swan Housing. This process does/did not prevent a decision being made in Cabinet, but rather adds an additional approval requirement which will still have to be obtained.

#### **4. COMMENTS OF THE CHIEF FINANCE OFFICER**

- 4.1. In November 2007, Cabinet approved a programme to support three separate regeneration schemes being undertaken by Poplar HARCA, East End Homes and Swan Housing Association. The proposed regeneration schemes required the acquisition of various leasehold property interests, and it was agreed that the Council would begin a Compulsory Purchase Order process on behalf of the Registered Social Housing Providers to acquire these leasehold interests in case settlement could not be reached through negotiation.
- 4.2. The report included the former Crossways estate (now known as Bow Cross), owned and managed by Swan Housing Association. This report relates to the Compulsory Purchase Order process for Hackworth Point and Mallard Point on the estate.
- 4.3. As part of the CPO process, a General Vesting Declaration was put in place on 23 December 2009 (paragraph 3.6). After this date twelve leasehold properties were acquired, meaning that the leases for these properties had to be vested in the Council. The properties concerned are listed in Appendix 1.
- 4.4. This report seeks approval to formally transfer the interests in the twelve properties back to Swan Housing Association. There are no financial implications for the Council – the costs of the purchases and associated compensation packages have been borne by Swan, and in addition the cost of all officer time involved in the CPO process will also be recharged to the organisation.

#### **5. LEGAL COMMENTS**

- 5.1 Pursuant to its power under section 17(1) of the Housing Act 1985, the Council made the compulsory purchase order as detailed earlier in the report. The power conferred by subsection (1) includes power to acquire land for the purpose of disposing of houses provided or to be provided, on the land or as in this case of disposing of the land to a person who intends to provide housing accommodation on it.
- 5.2 Section 32 of the Housing Act 1985 provides power to dispose of land held under the provisions of the Housing Act 1985. However, such disposal shall not be made without the consent of the Secretary of State.
- 5.3 The General Housing Consents 2013 allow certain disposals to be made without the specific consent of the Secretary of State provided such disposals are at market value (except in the case of vacant land). The proposed disposal is at nil consideration given that SWAN have incurred all the acquisition costs and the Council has a commitment to transfer the properties back to SWAN in order for it to deliver the regeneration of the estate. Given that the purpose of the Council exercising its CPO powers was to support the regeneration of the estate, there is an argument that there is a nil market



value in respect of this transfer as the Council is unable to transfer the property to a third party without breaching its commitment to SWAN. If that were not the case the consent of the Secretary of State for this disposal may be required.

- 5.4 On 17 December 2014, the Secretary of State pursuant to powers under sections 15(5) and (6) of the Local Government Act 1999 appointed Commissioners whose prior written agreement will be required to the disposal of property other than existing single dwellings for residential occupation. If the Mayor agrees the proposed disposal to Swan, then consent will also need to be obtained from the Commissioners.
- 5.5 A decision may relevantly be a key decision for either or both of the following reasons: (1) it involves significant expenditure having regard to the Council's budget for the service or function in question (the financial test); or (b) it will have a significant effect on communities living or working in an area comprising two or more wards in the borough (the community impact test).
- 5.6 In this instance, it is open for the Mayor to take the view that the proposed transfer to Swan Housing is not considered to be a key decision. In terms of the financial test, the report makes clear that the costs of the purchase were met by Swan Housing and there is no financial implication for the Council. In terms of the community impact test, the original decision to authorise compulsory purchase in support of the regeneration scheme may well have had a relevant significant impact. However, it may reasonably be considered that authorising the previously contemplated transfer of properties to Swan Housing, in order to enable the final stage of the regeneration programme to complete, will not itself have a significant impact on communities in two or more wards.

## **6. ONE TOWER HAMLETS CONSIDERATIONS**

- 6.1. This scheme will contribute to One Tower Hamlets objectives. The three objectives are to reduce inequalities; ensure community cohesion; and, strengthen community leadership.
- 6.2. On **reducing inequalities**, the scheme has led to an increase in affordable housing on the site by providing units at social rent and for shared ownership. There has also been the creation of local jobs in the construction and management processes, and training for employment.
- 6.3. On **ensuring community cohesion**, the Registered Provider has been working with community representatives to facilitate the regeneration project, and minimise disruption. The new scheme has already achieved a transformational change.
- 6.4. On **strengthening community leadership**, the Registered Provider continues to work closely with residents. The successful redevelopment of

the Crossways/Bow Cross Estate is predicated on continuing successful engagement with residents and other local stakeholders.

## **7. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT**

- 7.1 New homes were built and existing refurbished to modern standards to reduce energy consumption per home and improving environmental sustainability. A redesign of the estate was carried out to maximise the use of open space and create private gardens for some of the new homes.

## **8. RISK MANAGEMENT IMPLICATIONS**

- 8.1. The action proposed will address the risk of delays if the sites acquired on Swan's behalf through CPO are not handed over. The Council approved and managed a CPO process expressly to support the Crossways Estate (Bow Cross) regeneration scheme. The Secretary of State deemed that a Public Inquiry was necessary but following this was satisfied it's use was warranted and necessary, with 'a compelling case in the public interest for the Order to be made'. Failure to hand over the sites now would undermine the council's justification for having run a CPO. These properties have only been technically vested with the council.
- 8.2. A knock-on effect of failing to transfer these Titles, apart from raising issues around breach of contract by the council, would be delays in starting or completing other projects within the borough, including Swan's investment at Blackwall Reach.

## **9. CRIME AND DISORDER REDUCTION IMPLICATIONS**

- 9.1 The large scale regeneration of the estate allowed a comprehensive redesign to address crime and disorder concerns. Whilst three tower blocks have been retained, a series of interconnecting raised walkways were removed which had been detrimental to personal safety, main entrances moved to the ground floor and street level properties introduced overlooking what was previously a secluded estate road encouraging safer pedestrian movement and reducing the risk of flytipping. A number of garages separated from the residential area were removed which had been regularly broken into, along with another garage area overlooked by the towers but deemed unsafe to use by the fire brigade.

## **10. EFFICIENCY STATEMENT**

- 10.1 The Crossways (SRB6) Regeneration attracted government funding which together with support from Tower Hamlets Council and Swan funding (including from the sale of Mallard Point properties) is enabling improvements including the provision of 489 affordable homes (including for 457 for Social

Rent). Without this external funding, Tower Hamlets Council would have incurred considerable expenditure in bringing up to 298 homes to Decent Homes Standard.

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## **Linked Reports, Appendices and Background Documents**

### **Linked Report**

- Decision Sheet :Cabinet 7 November 2007
- Report Pack : Cabinet 7 November 2007

### **Appendices**

- List of vested properties and compensation values

### **Background Documents – Local Authorities (Executive Arrangements)(Access to Information)(England) Regulations 2012**

- NONE

### **Officer contact details for documents:**

- Robin Sager Tel: 020 7364 2439

**LONDON BOROUGH OF TOWER HAMLETS**

**MINUTES OF THE CABINET**

**HELD AT 5.35 P.M. ON WEDNESDAY, 7 NOVEMBER 2007**

**COMMITTEE ROOM, 1ST FLOOR, TOWN HALL, MULBERRY PLACE, 5 CLOVE  
CRESCENT, LONDON, E14 2BG**

**Members Present:**

Councillor Denise Jones (Chair)	(Leader of the Council)
Councillor Ohid Ahmed	(Lead Member, Regeneration, Localisation and Community Partnerships)
Councillor Abdul Asad	(Lead Member, Employment and Skills)
Councillor Clair Hawkins	(Lead Member, Children's Services)
Councillor Sirajul Islam (Vice-Chair)	(Deputy Leader of the Council)
Councillor Shiria Khatun	(Lead Member, Culture)
Councillor Joshua Peck	(Lead Member, Resources and Performance)
Councillor Abdal Ullah	(Lead Member, Cleaner, Safer, Greener)
Councillor Motin Uz-Zaman	(Lead Member, Health and Wellbeing)

**Other Councillors Present:**

Councillor Rajib Ahmed	
Councillor M. Shahid Ali	
Councillor Tim Archer	
Councillor Stephanie Eaton	(Leader Liberal Democrat Group and Scrutiny Lead Member: Health)
Councillor Marc Francis	(Chair of Overview and Scrutiny Committee)
Councillor Peter Golds	(Leader Conservative Group)
Councillor Ahmed Hussain	(Scrutiny Lead Member: Learning, Achievement and Leisure)
Councillor Waiseul Islam	
Councillor Azizur Rahman Khan	
Councillor Abjol Miah	(Leader of the Respect Group)
Councillor Tim O'Flaherty	
Councillor Bill Turner	
Councillor Dulal Uddin	

**Others Present:**

**Officers Present:**

- |                   |   |
|-------------------|---|
| David Baker       | – (Strategy Manager, Homelessness and Housing Advice Services, Adults Health and Wellbeing) |
| Isobel Cattermole | – (Service Head, Resources, Childrens' Services)  |
| Deb Clarke        | – (Joint Director of Human Resources)   |
| Deborah Cohen     | – (Service Head, Disability and Health Services, Adults Health and Wellbeing)               |
| Kevan Collins     | – (Corporate Director, Children's Services)   |
| Alex Cosgrave     | – (Corporate Director, Environment and Culture)   |
| Alan Finch        | – (Chief Finance Officer, Resources)  |
| Julian Francis    | – (Political Adviser to the Conservative Group, Democratic Services, Chief Executive's)     |
| Isabella Freeman  | – (Assistant Chief Executive [Legal Services])  |
| John Goldup       | – (Corporate Director, Adults Health and Wellbeing)   |
| Paul Greeno       | – (Criminal Litigation and Enforcement Lawyer, Legal Services, Chief Executive's)           |
| Fiona Heyland     | – (Waste Services Group Manager, Environment and Culture)                                   |
| Chris Holme       | – (Service Head, Resources, Development and Renewal)  |
| Afazul Hoque      | – (Acting Scrutiny Policy Manager, Scrutiny and Equalities, Chief Executive's)              |
| Helen Jenner      | – (Service Head, Early Years Children and Learning, Children's Services)                    |
| Judith St John    | – (Idea Store Strategy and Project Manager, Environment and Culture)                        |
| Maureen McEleney  | – (Director of Housing Management)  |
| Niall McGowan     | – (Housing Regeneration Manager, Housing Services)  |
| Jackie Odunoye    | – (Interim Service Head, Housing Strategy and Development, Development and Renewal)         |
| Jamie Ounan       | – (Strategic Planning Manager, Development and Renewal)                                     |
| Colin Perrins     | – (Head, Trading Standards and Environmental Health Commercial, Environment and Culture)    |
| Emma Peters       | – (Corporate Director, Development and Renewal)   |
| John Roog         | – (Service Head, Older People and Homelessness, Adults Health and Wellbeing)                |
| Clare Saul        | – (Communications Manager, Communications, Chief Executive's)                               |
| Martin Smith      | – (Chief Executive)   |
| Chris Weavers     | – (Political Adviser to the Majority Group)   |
| Owen Whalley      | – (Service Head, Major Project Development, Development and Renewal)                        |
| Edmund Wildish    | – (Scrutiny Policy Officer, Scrutiny and Equalities , Chief Executive's)                    |
| Sara Williams     | – (Assistant Chief Executive)   |
| Paul Wishart      | – (Interim Supporting People Manager, Adults Health and Wellbeing)                          |
| Angus Taylor      | – (Executive Team Leader, Democratic Services)  |

**COUNCILLOR D. JONES (CHAIR) IN THE CHAIR**

The Chair opened the meeting by noting the very positive public response to the Authority's recent evening firework display, and extending the thanks of the Cabinet to all those who had contributed to its organisation, and in particular the Lead Member Culture and Corporate Director Environment and Culture.

**1. APOLOGIES FOR ABSENCE**

No apologies for absence were received.

**2. DECLARATIONS OF INTEREST**

**Councillor A. Asad** declared a prejudicial interest in Agenda item 9.4 "Open Space at Lukin Street – Determination of Objection". The declaration of interest was made on the basis that the report contained recommendations relating to Bishop Challoner School and Councillor Asad currently received remuneration as an employee of Bishop Challoner School.

**Councillor O. Ahmed** declared a prejudicial interest in Agenda item 8.1 "Poplar Baths - Steering Group Revised Proposals". The declaration of interest was made on the basis that Councillor Ahmed was an employee of Leaside Regeneration Limited.

**Councillor O. Ahmed** declared a personal interest in Agenda item 7.1 "Progressing Leaseholder Buy-backs to Enable RSL Regeneration Schemes". The declaration of interest was made on the basis that the report made reference to the Tower Hamlets Primary Care Trust and Councillor Ahmed's spouse was an employee of the Tower Hamlets Primary Care Trust.

**Councillor D. Jones** declared a personal interest in Agenda item 7.1 "Progressing Leaseholder Buy-backs to Enable RSL Regeneration Schemes". The declaration of interest was made on the basis that:

- The report contained recommendations relating to EastEnd Homes and Councillor Jones was a representative of the Authority on the governing body of EastEnd Homes.
- The report made reference to the Tower Hamlets Primary Care Trust and Councillor Jones was a member of the governing body of the Tower Hamlets Primary Care Trust.

**Councillor M. Uz Zaman** declared a personal interest in Agenda item 7.1 "Progressing Leaseholder Buy-backs to Enable RSL Regeneration Schemes". The declaration of interest was made on the basis that:

- The report contained recommendations relating to EastEnd Homes as well as Poplar HARCA and Councillor Uz Zaman was a representative

of the Authority on the governing body of both EastEnd Homes and Poplar HARCA.

- The report made reference to the Tower Hamlets Primary Care Trust and Councillor Uz Zaman was a representative of the Authority on the governing body of the Tower Hamlets Primary Care Trust.

**Councillor M. Francis** declared a personal interest in Agenda item 7.2 “Response to the Scrutiny Review Group - Hostels Strategy”. The declaration of interest was made on the basis that the report contained recommendations relating to Shelter and Councillor Francis was an employee of Shelter.

**Councillor J. Peck** declared a personal interest in Agenda item 8.1 “Poplar Baths - Steering Group Revised Proposals”. The declaration of interest was made on the basis that the report made reference bids to secure funding from the Heritage Lottery Fund for this project, and Councillor Peck was an employee of the Heritage Lottery Fund.

**Councillor S. Khatun** declared a personal interest in Agenda item 8.2 “Local Development Framework - Annual Monitoring Report 2006-2007”. The declaration of interest was made on the basis that the report made reference to Transport for London and Councillor Khatun was a member of the governing body of Transport for London (TfL) and an adviser to the Mayor of London in her capacity as a TfL Board member.

**Councillor O. Ahmed** declared a personal interest in Agenda item 8.3 “Review of Development Control Working Arrangements for LTGDC Area in Tower Hamlets”. The declaration of interest was made on the basis that Councillor Ahmed was a representative of the Authority on the governing body of the London Thames Gateway Development Corporation.

### 3. UNRESTRICTED MINUTES

Councillor Peck, Lead Member Resources and Performance, commented that the portfolio ascribed to him at the bottom of page 8 was incorrect and requested that the minutes be amended accordingly.

The Chair **Moved** (taking account of the proposed amendment from Councillor Peck); and it was: -

#### **Resolved**

That subject to the amendment set out below the unrestricted minutes of the ordinary meeting of the Cabinet held on 3<sup>rd</sup> October 2007 be approved and signed by the Chair, as a correct record of the proceedings:-

- Agenda item 8.1 “Rich Mix Cultural Centre”, Page 11, penultimate paragraph, line 8: deletion of word “Regeneration” and insertion of word “Resources”.

#### 4. DEPUTATIONS & PETITIONS

The clerk advised that the Assistant Chief Executive had received no requests for deputations or petitions in respect of the business contained in the agenda.

#### 5. OVERVIEW & SCRUTINY COMMITTEE

##### 5.1 Chair's advice of Key Issues or Questions in relation to Unrestricted Business to be considered

The Chair informed members of the Cabinet that Councillor Francis, Chair of the Overview and Scrutiny Committee, had **Tabled**: -

- A sheet of questions/ comments (pre-scrutiny questions) arising from the deliberations of the Overview and Scrutiny Committee, held on 6<sup>th</sup> November 2007, in respect of the unrestricted business contained in the agenda for consideration.
- A sheet of advice/ comments arising from the deliberations of the Overview and Scrutiny Committee, held on 6<sup>th</sup> November 2007, in respect of a Budget and Policy Framework report contained in the agenda for consideration;

copies of which would be interleaved with the minutes.

Councillor Francis, Chair of the Overview and Scrutiny Committee thanked those Lead Members that had attended the Overview and Scrutiny Committee the previous evening, and continued by informing members of the Cabinet that he had nothing to add to the questions/ comments/ advice raised by the Overview and Scrutiny Committee, as set out in the tabled papers regarding: -

- Key Issues or Questions (Pre Scrutiny)
  - Agenda item 6.1 "Extension of controlled parking into the Fish Island Area – consideration of objections received" (CAB 065/078)
  - Agenda item 6.3 "Response to the Scrutiny Review Group - Improving Recycling" (CAB 067/078)
  - Agenda item 7.1 "Progressing leaseholder buy-backs to enable RSL regeneration schemes" (CAB 068/078)
  - Agenda item 7.2 "Response to the Scrutiny Review Group – Hostels Strategy" (CAB 069/078)
  - Agenda item 8.2 "Local Development Framework – Annual Monitoring Report 2006-2007" (CAB 071/078)
  - Agenda item 9.1 "Consultation on the Admission Arrangements" (CAB 073/078)
  - Agenda item 9.3 "Toby Lane Kitchen – adoption of supplementary capital estimate" (CAB 075/078)
  - Agenda item 9.4 "Open space at Lukin Street – determination of objection" (CAB 076/078)



- Agenda item 10.1 "Supply of library management system – participation in the London Libraries Consortium's Framework Agreement" (CAB 077/078)
- Agenda item 10.2 "Implementation of Single Status Agreement" (CAB 078/078)
- Budget and Policy Framework matter
  - Agenda item 6.2 "Licensing Act 2003 – Three Year Review of Licensing Policy" (CAB 066/078)

The Chair thanked Councillor Francis for presenting the contribution of the Overview and Scrutiny Committee and then **Moved**, and it was: -

### **Resolved**

That the questions/ comments/ advice of the Overview and Scrutiny Committee be noted, and that these be given consideration during the Cabinet deliberation of the items of business to which the questions and comments related.

## **5.2 Any Unrestricted Decisions "Called in" by the Overview & Scrutiny Committee**

Councillor Francis, Chair of the Overview and Scrutiny Committee, in addressing members of the Cabinet briefly outlined the further consideration and subsequent endorsement, by the Overview and Scrutiny Committee, of the "called in" provisional decisions of the Cabinet, taken at its meeting held on 3<sup>rd</sup> October 2007, in respect of Agenda items:

- 7.1 "Housing Investment Strategy – Establishment of Tower Hamlets Homes (CAB 057/078).
- 7.2 Residential Care for Older People within Tower Hamlets: Proposed Commissioning Arrangements at Pat Shaw House and Peter Shore Court (CAB 058/078)

The clerk, at the request of the Chair, confirmed that no provisional decisions made by the Cabinet, at its meeting held on 3<sup>rd</sup> October 2007, had been referred back to Cabinet, by the Overview and Scrutiny Committee, for further consideration.

## **6. A BETTER PLACE FOR LIVING SAFELY**

### **6.1 Extension of Controlled Parking into the Fish Island Area - Consideration of Objections Received (CAB 065/078)**

Ms Cosgrave, Corporate Director Environment and Culture, at the request of the Chair, in introducing the report addressed the matters raised by the Overview and Scrutiny Committee, held on 6<sup>th</sup> November 2007, in relation to the report; as set out in the tabled sheet of questions and comments

presented by the Chair of the Overview and Scrutiny Committee earlier in the proceedings.

Councillor Peck, Lead Member Resources and Performance, in referring to paragraph 5.6 of the report, commented that the essence of car free developments was exactly that, and he therefore considered that Officer comments regarding reliance on private vehicles and on street parking in the Fish Island area, in the context of car free developments, required additional clarity.

The Chair requested that the Corporate Director Environment and Culture accommodate the comments made by Councillor Peck, and then **Moved**, and it was:-

### **Resolved**

1. That the outcome of consultation undertaken in respect of the extension of controlled parking in the Fish Island area, as set out in the report (CAB 065/078), be noted;
2. That full parking controls not be implemented in the Fish Island area, as set out in paragraphs 6.1 to 6.3 of the report (CAB 065/078);
3. That the Service Head Environmental Control Environment and Culture, be authorised to undertake further consultation in relation to controlled parking in the Fish Island area, should changes in parking conditions in the Fish Island area make that appropriate; and
4. That the Service Head Environmental Control – Environment and Culture, be authorised to make the necessary Traffic Management Order to introduce 8.30am to 5.30pm Monday to Friday waiting restrictions and “At Any Time” waiting restrictions on lengths of carriageway in the Fish Island area that are not designated as parking bays, as set out at paragraph 6.4 of the report.

## **6.2 Licensing Act 2003 – Three Year Review of Licensing Policy (CAB 066/078)**

Ms Cosgrave, Corporate Director Environment and Culture, at the request of the Chair, in introducing the report addressed the matters raised by the Overview and Scrutiny Committee, held on 6<sup>th</sup> November 2007, in relation to the report; as set out in the tabled sheet of advice/comments presented by the Chair of the Overview and Scrutiny Committee earlier in the proceedings.

A discussion followed during which points of clarification/ assurance were sought and given in relation to a number of matters including:-

- Whether applications for all premises licences would continue to be examined on their individual merits or could be rejected on the basis of proximity to certain establishments, under the revised Licensing Policy.
- Whether presumption introduced by the revised Licensing Policy, that applications for a licence to hold striptease in proximity to certain

establishments were unlikely to be successful, encompassed children's centres and nurseries.

- The poor response to consultation and how the revised Licensing Policy would improve public understanding of the Licensing process and engagement with it.
- The prospect of robust enforcement action by the Authority should any breach of a licence be identified, and the adequacy of resourcing for this.
- With reference to Appendix 1, paragraph 2.7 and the potential extension of consultation in relation to applications for premises licences:
  - The potential for Local Area Partnership (LAP) Steering Groups to form a consultative mechanism rather than LAP Forums.
  - Resource implications of wider consultation.
- Mechanisms for seeking removal of discriminatory notices displayed on licenced premises, and in particular those relating to Travellers.

The Chair noted that the Overview and Scrutiny Committee was undertaking a review of Licensing matters and wider issues around striptease and the sex industry, and the outcome of this would be reported to Cabinet in early 2008; and then **Moved**, and it was:-

### **Resolved**

1. That the results of the consultation in respect of the three year review of the Licensing Policy be noted;
2. That the recommended changes to the Licensing Policy detailed in the report (CAB 066/078) be noted;
3. That the draft Licensing Policy attached at Appendix 3 to the report (CAB 066/078) be endorsed; and
4. That Full Council be recommended to adopt the Licensing Policy attached at Appendix 3 to the report (CAB 066/078).

### **6.3 Response to the Scrutiny Review Group - Improving Recycling (CAB 067/078)**

Ms Williams, Assistant Chief Executive, at the request of the Chair, introduced the report and Ms Cosgrave, Corporate Director Environment and Culture, subsequently addressed the matters raised by the Overview and Scrutiny Committee, held on 6<sup>th</sup> November 2007, in relation to the report; as set out in the tabled sheet of questions and comments presented by the Chair of the Overview and Scrutiny Committee earlier in the proceedings.

Councillor Uz Zaman, Lead Member Health and Wellbeing, considered that the timespan between an Overview and Scrutiny review being undertaken and the submission of the action plan, formulated by Officers to address the review findings/ recommendations, for Cabinet consideration/ approval, should be much shorter than it had been in this case.

Ms Cosgrave, Corporate Director Environment and Culture, and Ms Heyland, Waste Services Group Manager, also responded to requests for clarification/assurance in relation to the Action plan and response to the Scrutiny Working Group at Appendix 1 and in particular:

- Recommendation 4 – the potential for the Authority’s recycling contractor to advise Officers of bring sites which were regularly full and for variation of the contract to facilitate more frequent collection from these sites.
- Recommendation 6 – The need for substantial improvement in the Authority’s enforcement of expeditious provision of adequate recycling bin capacity in new developments.

The Chair, in **Moving** the recommendations contained in the report, thanked members of the Overview and Scrutiny Working Group on Improving Recycling for their valuable work, which had been welcomed by members of the Cabinet; and it was: -

### **Resolved**

1. That the Action Plan in response to the recommendations from the Overview and Scrutiny Committee Working Group on Improving Recycling, attached at Appendix 1 to the report (CAB 067/078) be approved; and
2. That the report of the Overview and Scrutiny Committee Working Group on Improving Recycling, attached at Appendix 2 to the report (CAB 067/078), be noted.

## **7. A BETTER PLACE FOR LIVING WELL**

### **7.1 Progressing Leaseholder Buy-backs to Enable RSL Regeneration Schemes (CAB 068/078)**

Ms Odunoye, Interim Service Head Housing Strategy and Development, at the request of the Chair, in introducing the report addressed the matters raised by the Overview and Scrutiny Committee, held on 6<sup>th</sup> November 2007, in relation to the report; as set out in the tabled sheet of questions and comments presented by the Chair of the Overview and Scrutiny Committee earlier in the proceedings.

Councillor Khatun, Lead Member Culture, considered it appropriate that the delegation of authority to the Corporate Director Development and Renewal, contained in the recommendation set out at paragraph 2.1 of the report, should also include a requirement to act after consultation with the Lead Member Regeneration, Localisation and Community Partnerships and accordingly proposed an amendment to the recommendation set out in the report, for the consideration of members of the Cabinet, as follows:-

“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.....”

Ms Odunoye, Interim Service Head Housing Strategy and Development, also responded to requests for clarification/ assurance in relation to the following:

- Action being taken to mitigate the impact of any move required of elderly leaseholders.
- Clear communication by the Authority to relevant Registered Social Landlords (RSL's) of its expectation that negotiations between RSL's and affected leaseholders would continue to be pursued with sensitivity in relation to their specific issues and concerns, and that compulsory purchase orders would be a last resort possible only after the exhaustion of due process.

The Chair requested that the Corporate Director Development and Renewal accommodate the comments made by Councillor Peck, and then **Moved** (taking account of the proposed amendment from Councillor Khatun), and it was:

### **Resolved**

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.

## **7.2 Response to the Scrutiny Review Group - Hostels Strategy (CAB 069/078)**

Ms Williams, Assistant Chief Executive, at the request of the Chair, introduced the report and Mr Goldup, Corporate Director Adults Health and Wellbeing, subsequently addressed the matters raised by the Overview and Scrutiny Committee, held on 6<sup>th</sup> November 2007, in relation to the report; as set out in the tabled sheet of questions and comments presented by the Chair of the Overview and Scrutiny Committee earlier in the proceedings.

Mr Goldup, Corporate Director Adults Health and Wellbeing, also advised that proposals for a Hostels Strategy would be submitted for Cabinet consideration in January 2008 and not December 2007 as indicated in the report.

Councillor Hawkins, Lead Member Children's Services, expressed the hope that the concerns of young homeless people and in particular those raised at the Drapers City Foyer relating to waiting time for referral and lack of space to accommodate the demand for placements would be addressed.

The Chair requested that a presentation be organised for all members of the Authority to facilitate their understanding of the important issues in this area.

Councillor Turner, speaking with the consent of the Cabinet, commented that the economic disincentives for young people to enter the employment market were one of the most distressing aspects of his constituency work, and considered that the Authority should strengthen its representations to the Secretary of State, in relation to removing these, through the inclusion of representations from young people in Tower Hamlets directly affected.

Councillor Peck, Lead Member Resources and Performance, concurred with Councillor Turner and also welcomed a related suggestion made by the Overview and Scrutiny Committee, set out at paragraph 2 of the relevant section of the tabled sheet of questions and comments, presented by the Chair of the Overview and Scrutiny Committee earlier in the proceedings. Accordingly Councillor Peck proposed an amendment to the recommendation set out in paragraph 2.1 of the report, for the consideration of members of the Cabinet, as follows:-

“That the Action Plan, in response to the recommendations from the Overview and Scrutiny Committee Working Group on the Hostels Strategy, be approved subject to the inclusion within the Authority's

letter to the Secretary of State for Work and Pensions, in relation to the reform of the Single Room Rent Restriction, of representations supporting the Foyer Federation's campaign for the abolition of the 16 hour rule for young homeless people, and in particular representations from young people in Tower Hamlets directly affected."

The Chair, in **Moving** the recommendations contained in the report (taking account of the proposed amendment from Councillor Peck), thanked members of the Overview and Scrutiny Working Group on Hostels Strategy for their valuable work, which had been welcomed by members of the Cabinet; and it was: -

### **Resolved**

1. That subject to (a) below, the Action Plan in response to the recommendations from the Overview and Scrutiny Committee Working Group on the Hostels Strategy, attached at Appendix 1 to the report (CAB 069/078), be approved:
  - (a) Inclusion within the Authority's letter to the Secretary of State for Work and Pensions, in relation to the reform of the Single Room Rent Restriction, of representations supporting the Foyer Federation's campaign for the abolition of the 16 hour rule for young homeless people, and in particular representations from young people in Tower Hamlets directly affected.
2. That the report of the Overview and Scrutiny Committee Working Group on the Hostels Strategy, attached at Appendix 2 to the report (CAB 069/078), be noted.

## **8. A BETTER PLACE FOR CREATING AND SHARING PROSPERITY**

### **8.1 Poplar Baths - Steering Group Revised Proposals (CAB 070/078)**

**Councillor O. Ahmed** having declared a prejudicial interest in Agenda Item 8.1 "Poplar Baths – Steering Group Revised Proposals" withdrew from the proceedings at the commencement of consideration of this item of business, being 6.30pm.

At this juncture the Chair informed members of the Cabinet that Appendix B to the report had, in error, not been omitted from the Agenda papers before them, and had an important bearing on the recommendation, contained at paragraph 2.1(a) of the report, to market the site. The Chair subsequently sought an indication from members of the Cabinet as to whether they were minded to agree recommendation 2.1(a) or to agree recommendation 2.1(b) extension of the period of exclusivity for the Poplar Baths Steering Group. Members of the Cabinet indicated unanimously that they were minded to agree recommendation 2.1(b).

Ms Peters, Corporate Director Development and Renewal, at the request of the Chair, in introducing the report summarised the salient points therein highlighting in particular:

- That the business plan submitted by the Poplar Baths Steering Group still contained gaps and required further examination by Officers in relation to:
  - The robustness of grant funding assumptions.
  - The robustness of revenue and running cost assumptions and in particular generation of cross subsidy from workspace and retail provision.
  - Heritage implications and the prospect of addressing these to the satisfaction of English Heritage.
  - Opportunity cost of allocating the land for the usage proposed by the Steering Group measured against potential benefits that could be secured from disposal on the open market or from use as part of a wider regenerative scheme.
- The outcome of the bid for funding by the Authority and the Environment Trust, to the Department for Communities and Local Government Community Asset Demonstration Project, in relation to the proposals, should be known within the next 3 months.

Councillor Peck, Lead Member Resources and Performance:

- Noted the hard work undertaken by the Poplar Baths Steering Group, in conjunction with Officers of the Authority, since this matter was last considered by Cabinet, and welcomed the progress towards more certainty that the Group's objectives could be achieved and a potentially viable option merited further examination.
- Commented that the Group was resident led and supported by the Environment Trust and Swan Housing Association, a partner of the Authority with a proven track record.
- Considered that the Authority already had a record of transferring assets to the Community, of which it could be proud, and should this scheme be successful that record would be enhanced should this historic building once again be a venue for swimming.
- Acknowledged that significant areas of the proposals required further detailed examination and in particular:
  - The robustness of the financial aspects of the business plan.
  - The potential role of the site in wider regeneration of the area.
  - Demonstration of detailed work with partners working towards regeneration of the area.
- Believed that in the next 3 months the Authority had a duty to work with the Poplar Baths Steering Group in endeavouring to achieve the desired outcome of the proposals.
- Considered however, that negotiations between the Authority and the Poplar Baths Steering Group, over the three month period, in respect of the finalisation of terms for any disposal of the Poplar Baths Site, should proceed on the basis of transfer on a long lease and not disposal of the freehold. This would not preclude bids to funding bodies and would allow for an ongoing commitment to Poplar Baths. Accordingly Councillor Peck proposed this approach as an additional



recommendation to those set out in the report, for the consideration of members of the Cabinet.

A discussion followed during which points of clarification/ assurance were sought and given in relation to a number of matters including:-

- The reduction in the number of affordable homes to be provided under the revised proposals and the potential to increase this.
- The congruence of the Steering Group proposals with the Authority's strategic approach swimming provision.

Some members of the Cabinet also expressed the view that the period of exclusivity for the Poplar Baths Steering Group should not be extended beyond the 3 months proposed, given the benevolence already shown by the Authority in respect of this matter.

The Chair **Moved** the recommendations contained in paragraphs 2.1 (b) and 2.2 of the report, together with the additional recommendation proposed by Councillor Peck, and it was:-

### **Resolved**

1. That in relation to the disposal of the Poplar Baths site it be agreed that the period of exclusivity for the Poplar Baths Steering Group be extended, for a further three months, to allow for further analysis of the details of the proposal, finalisation of the terms of their offer, and a further report be submitted for Cabinet consideration including these terms;
2. That negotiations between the Authority and the Poplar Baths Steering Group, over the three month period referred to in resolution 1. above, in respect of the finalisation of terms for any disposal of the Poplar Baths Site, proceed on the basis of transfer on a long lease and not disposal of the freehold; and
2. That the submission of a bid by the Authority and the Environment Trust to the Development Trust Association, for the funding of the Poplar Baths scheme as a Community Asset Demonstration Project, be endorsed.

**Councillor O. Ahmed** re-entered the proceedings following the conclusion of the Cabinet deliberations in respect of this item, being 6.45pm.

## **8.2 Local Development Framework - Annual Monitoring Report 2006-2007 (CAB 071/078)**

Ms Peters, Corporate Director Development and Renewal, at the request of the Chair, in introducing the report addressed the matters raised by the Overview and Scrutiny Committee, held on 6<sup>th</sup> November 2007, in relation to the report; as set out in the tabled sheet of questions and comments

presented by the Chair of the Overview and Scrutiny Committee earlier in the proceedings.

Members of the Cabinet subsequently raised several matters including:

- The suggestion that open space should be negotiated in a similar way to affordable housing as part of the planning process was welcomed and it was considered that much greater emphasis should be given to open space issues and the impact on social infrastructure of the Borough's projected population growth.
- The linkage between adequate provision of family sized accommodation and the stability of communities and the potential for churn in the population should this not be provided.
- Concern at the amount of new retail space being created outside designated town centres and the need for detailed examination of this phenomena. Concern also regarding town centre vacancy levels in Roman Road East and the need to bring forward monitoring of the associated strategy and implementation plan.
- Consideration that the Authority needed to recognise and address regional needs in relation to the provision of student housing.
- Concern at the significant increase in the number of days of poor air quality identified at Poplar and Bethnal Green, which greatly affected the vulnerable elements of the community, and consideration that the Authority should use the full scope of the powers available to it to mitigate this trend.
- Figures in relation to built environment were welcomed.
- Whilst acknowledging the rationale for car free development it was considered that further examination should be given to the barrier to take up of family accommodation this created.
- The need for correction of the percentage figures in paragraph 2.9 of the report.
- The need for consistency of figures relating to health living detailed at paragraph 2.22 and 5.2.26 of Appendix 1 to the report.

The Chair considered it appropriate that the delegation of authority to the Corporate Director Development and Renewal, contained in the recommendation set out at paragraph 2.3 of the report, should also include a requirement to act after consultation with the Lead Member Regeneration, Localisation and Community Partnerships. Accordingly the Chair **Moved** the recommendations contained in the report, subject to the following amendment to the recommendation set out in paragraph 2.3, for the consideration of members of the Cabinet:

“That the Corporate Director Development and Renewal consult the Lead Member Regeneration, Localisation and Community Partnerships, prior to making any minor amendments to the Annual Monitoring report prior to submission to the Secretary of State.”

and it was:-

**Resolved**

1. That the contents of the report (CAB 071/078) and the Annual Monitoring Report 2007 for the period April 2006-March 2007, attached at Appendix A, be noted;
2. That it be noted that the Annual Monitoring Report for the period April 2006-March 2007 will be submitted to the Secretary of State before 31 December 2007; and
3. That the Corporate Director of Development and Renewal be authorised, after consultation with the Lead Member Regeneration, Localisation and Community Partnerships, to make minor amendments to the Annual Monitoring Report attached at Appendix A to the report (CAB 071/078) prior to submission to the Secretary of State relating to factual matters.

**8.3 Review of Development Control Working Arrangements for LTGDC Area in Tower Hamlets (CAB 072/078)**

The Chair **Moved** and it was: -

**Resolved**

1. That the report (CAB 072/078) on the outcomes of the independent review of working arrangements between the London Borough of Tower Hamlets and the Urban Development Corporation, be noted and that the Authority continue to adhere to the protocol agreement; and
2. That the Authority's desire to ensure that London Thames Gateway Development Corporation (LTGDC) acknowledge the policy framework for LBTH for prioritising agreements in relation to section 106 of the Town and Country Planning Act 1990 and the undertaking of the LTGDC to take account of this in the development of its own policy framework, be noted.

**9. A BETTER PLACE FOR LEARNING, ACHIEVEMENT AND LEISURE****9.1 Consultation on the Admission Arrangements (CAB 073/078)**

Mr Collins, Corporate Director Children's Services, at the request of the Chair, in introducing the report:

- Summarised the salient points contained therein, highlighting the statutory requirement for the Authority to consult on admissions and also several specific aspects of the proposed consultation in relation to admissions to primary and secondary schools as follows:

- Primary
    - ❖ Sibling Priority – removal of distance limit.
    - ❖ Sibling Priority - harmonisation of decision dates in relation to Reception Year.
    - ❖ Requirement for parental “opt in” to the waiting list for a school with a higher preference ranking, in the application for a place, where a child has been refused admission to these schools.
    - ❖ Shortest walking distance to nearest available school entrance rather than school postal address.
  - Secondary
    - ❖ Centralised system managed by the Authority for coordination of managed moves.
- Addressed the matters raised by the Overview and Scrutiny Committee, held on 6<sup>th</sup> November 2007, in relation to the report; as set out in the tabled sheet of questions and comments presented by the Chair of the Overview and Scrutiny Committee earlier in the proceedings.

A discussion followed during which points of clarification/ assurance were sought and given in relation to a number of matters including:-

- Proposed changes to the Sibling Priority.
- Inter-relationship of proposals relating to managed moves to reduce permanent exclusions and prioritisation of looked after children at oversubscribed schools.
- Potential for queue jumping by unruly children using the social need criteria for prioritisation and parental ability to obtain General Practitioner certificates.
- Flexibility in relation to prioritisation of admission for children based on the social need criteria and in particular those in public care more than a year prior to admission.
- Action being taken to encourage schools to admit children excluded from other schools.
- Process for allocating school places if admission was refused to schools chosen by parents.
- The value to parents and children of continued but lesser prioritisation in relation to admission to schools where siblings were no longer on the school role.
- Minimising the distance for transportation of children to schools in other parts of the Borough.
- Prioritised admission to secondary schools in the West of the Borough for children living in the South Wapping area.
- The pursuit of excellence in all schools so all were a first choice.
- Inclusion of an Equality Impact Assessment and revision of terminology (“At Risk Register”), when, following consultation, this matter was submitted to Cabinet for consideration in March 2008.

The Chair requested that the Corporate Director Children's Services give consideration to the matters raised by members of the Cabinet during discussion of this matter, and then **Moved**, and it was:

**Resolved**

That the annual consultation be undertaken on admissions for the 2009/10 academic year in relation to nursery schools, classes and early years units (as set out in paragraphs 4.1 and 4.2 of the report [CAB 073/078]), primary admissions (as set out in paragraphs 5.1, 5.2, 5.3, 5.4 and 5.5), secondary admissions (as set out in paragraphs 6.1, 6.2 and 6.3) and generic issues (as set out in paragraphs 3.3, 7.1 and 7.2).

**9.2 Grouped Schools and Mulberry School PFI Schemes – Progress Report (CAB 074/078)**

The Chair **Moved** and it was: -

**Resolved**

That the contents of the report (CAB 074/078), be noted.

**9.3 Toby Lane Kitchen - Adoption of Supplementary Capital Estimate (CAB 075/078)**

Mr Collins, Corporate Director Children's Services, at the request of the Chair, introduced the report summarising the salient points contained therein and Ms Cattermole, Service Head Resources (Children's Services), subsequently addressed the matters raised by the Overview and Scrutiny Committee, held on 6<sup>th</sup> November 2007, in relation to the report; as set out in the tabled sheet of questions and comments presented by the Chair of the Overview and Scrutiny Committee earlier in the proceedings.

The Chair **Moved** and it was: -

**Resolved**

1. That the contents of the report (CAB 075/078), be noted;
2. That a supplementary capital estimate of £472,000 be adopted to allow the completion of the Toby Lane kitchen project.

**9.4 Open Space at Lukin Street - Determination of Objection (CAB 076/078)**

**Councillor A. Asad** having declared a prejudicial interest in Agenda Item 9.4 "Open Space at Lukin Street - Determination of Objection" withdrew from the proceedings at the commencement of consideration of this item of business, being 7.40pm.

Mr Collins, Corporate Director Children's Services, at the request of the Chair, in introducing the report summarised the salient points contained therein and addressed the matters raised by the Overview and Scrutiny Committee, held on 6<sup>th</sup> November 2007, in relation to the report; as set out in the tabled sheet of questions and comments presented by the Chair of the Overview and Scrutiny Committee earlier in the proceedings.

Mr Collins, Corporate Director Children's Services, and Ms Cattermole, Service Head Resources (Children's Services), responded to requests for clarification/ assurance, made in the context of a loss of open space, regarding empowerment of the local community in relation to the management of and access to the community centre, playground/ sports pitches and associated activities, by local residents. Mr Collins undertook to provide further information to Councillor A. Miah and Councillor Ullah, Lead Member Cleaner, Safer, Greener in respect of such arrangements, which were well documented during the process undergone to secure planning consent.

The Chair **Moved** and it was: -

### **Resolved**

1. That the objection received by the Authority to the disposal of open space at Lukin Street, be noted; and
2. That the disposal of the land identified on the plan comprising Appendix 1 to the report (CAB 076/078), be approved.

**Councillor A. Asad** re-entered the proceedings following the conclusion of the Cabinet deliberations in respect of this item, being 7.50pm.

## **10. A BETTER PLACE FOR EXCELLENT PUBLIC SERVICES**

### **10.1 Supply of Library Management System - Participation in the London Libraries Consortium's Framework Agreement (CAB 077/078)**

Ms Cosgrave, Corporate Director Environment and Culture, at the request of the Chair, in introducing the report addressed the matters raised by the Overview and Scrutiny Committee, held on 6<sup>th</sup> November 2007, in relation to the report; as set out in the tabled sheet of questions and comments presented by the Chair of the Overview and Scrutiny Committee earlier in the proceedings.

Councillor Peck, Lead Member Resources and Performance, in referring to paragraph 5.3.2 of the report, requested that the Corporate Director Environment and Culture ensure that access to the acquisitions functionality of the DS Galaxy system was appropriately controlled.

The Chair **Moved** and it was: -

**Resolved**

1. That the London Borough of Tower Hamlets join the London Libraries Consortium Framework Agreement;
2. That an exemption to the tendering requirements under Procurement Procedure 2.1.1 (c), so allowing the London Borough of Tower Hamlets to join the Consortium Framework Agreement without seeking competitive tenders as set out in Section 4 and 5 of the report (CAB 077/078), be approved;
3. That the delegation to the London Borough of Havering (lead borough of the London Libraries Consortium) of the contract monitoring responsibilities in relation to Tower Hamlets' proposed role under the Framework Agreement, be approved; and
4. That the Corporate Director of Environment and Culture be authorised to enter into any appropriate negotiations with parties to the Framework Agreement referred to in the above resolutions, prior to formally joining the Framework Agreement.

**10.2 Implementation of Single Status Agreement (CAB 078/078)**

Ms Clarke, Joint Director of Human Resources (London Borough of Tower Hamlets and Tower Hamlets Primary Care Trust), at the request of the Chair, in introducing the report summarised the salient points contained therein and addressed the matters raised by the Overview and Scrutiny Committee, held on 6<sup>th</sup> November 2007, in relation to the report; as set out in the tabled sheet of questions and comments presented by the Chair of the Overview and Scrutiny Committee earlier in the proceedings.

The Chair, in **Moving** the recommendations as contained in the report, noted that the Single Status Agreement would be of greatest benefit to the Authority's former manual workers and therefore lowest paid employees a great proportion of which were female and resident in Tower Hamlets; and it was: -

**Resolved**

1. That the background to the proposed Single Status Agreement and the negotiation process that was conducted with trade unions to achieve its implementation, as outlined in Section 3 of the report (CAB 078/078), be noted;
2. That the financial implications set out in Section 5 of the report (CAB 078/078), be noted and that £1.205m of general fund balances be allocated to fund one-off costs of the Single Status Agreement; and
3. That the proposed Single Status Agreement, attached at Appendix A to the report (CAB 078/078), be approved for implementation.

**11. ANY OTHER UNRESTRICTED BUSINESS CONSIDERED TO BE URGENT**

The clerk advised that there were no business to be considered under this section of the agenda.

**12. UNRESTRICTED REPORTS FOR INFORMATION****12.1 Exercise of Corporate Directors' Discretions (CAB 079/078)**

The Chair **Moved** and it was: -

**Resolved**

That the exercise of Corporate Directors' discretions, as set out in Appendix 1 to the report (CAB 079/078), be noted.

**13. EXCLUSION OF THE PRESS AND PUBLIC**

The Chair **Moved** and it was: -

**Resolved**

That in accordance with the provisions of Section 100A of the Local Government Act 1972, as amended by the Local Government (Access to Information) Act 1985, the press and public be excluded from the remainder of the meeting for the consideration of the Section Two business on the grounds that it contained information defined as exempt or confidential in Part 1 of Schedule 12A to the Local Government, Act 1972.

**SUMMARY OF EXEMPT PROCEEDINGS****14. EXEMPT / CONFIDENTIAL MINUTES**

Minutes of Cabinet held on 3<sup>rd</sup> October 2007 approved.

**15. OVERVIEW & SCRUTINY COMMITTEE****15.1 Chair's advice of Key Issues or Questions in relation to Exempt / Confidential Business to be considered.**

Nil items.

**15.2 Any Exempt / Confidential Decisions "Called in" by the Overview & Scrutiny Committee**

Nil items.



**16. A BETTER PLACE FOR LIVING SAFELY**

Nil items.

**17. A BETTER PLACE FOR LIVING WELL**

Nil items.

**18. A BETTER PLACE FOR CREATING AND SHARING PROSPERITY**

Nil items.

**19. A BETTER PLACE FOR LEARNING, ACHIEVEMENT AND LEISURE**

Nil items.

**20. A BETTER PLACE FOR EXCELLENT PUBLIC SERVICES**

Nil items.

**21. ANY OTHER EXEMPT/ CONFIDENTIAL BUSINESS CONSIDERED TO BE URGENT**

Nil items.

**22. EXEMPT / CONFIDENTIAL REPORTS FOR INFORMATION**

Nil items.

The meeting ended at 8.00 p.m.

Chair, Councillor Denise Jones  
Cabinet

**LONDON BOROUGH OF TOWER HAMLETS**

**RECORD OF THE DECISIONS OF THE CABINET**

**HELD AT 5.31 P.M. ON WEDNESDAY, 4 MARCH 2015**

**C1, 1ST FLOOR, TOWN HALL, MULBERRY PLACE, 5 CLOVE CRESCENT,  
LONDON, E14 2BG**

**Members Present:**

Councillor Oliur Rahman	(Deputy Mayor and Cabinet Member for Economic Development (Jobs, Skills and Enterprise))
Councillor Shahed Ali	(Cabinet Member for Clean and Green)
Councillor Abdul Asad	(Cabinet Member for Health and Adult Services)
Councillor Shafiqul Haque	(Cabinet Member for Culture)
Councillor Rabina Khan	(Cabinet Member for Housing and Development)
Councillor Aminur Khan	(Cabinet Member for Policy, Strategy and Performance)
Councillor Gulam Robbani	(Cabinet Member for Education and Children's Services)

**Other Councillors Present:**

Councillor Joshua Peck

**Officers Present:**

Andy Bamber	(Service Head Safer Communities, Crime Reduction Services, Communities, Localities and Culture)
Colin Cormack	(Service Head Housing Options, Development & Renewal)
Stephen Halsey	(Head of Paid Service and Corporate Director Communities, Localities & Culture)
Chris Holme	(Acting Corporate Director - Resources)
Robert McCulloch-Graham	(Corporate Director, Education Social Care and Wellbeing)
Niall McGowan	(Housing Regeneration Manager)
Poppy Noor	Project Manager - Mayor's Office
Jackie Odunoye	(Service Head, Strategy, Regeneration & Sustainability, Development and Renewal)
Dean RiddickMcGregor	(Political Adviser to the Labour Group)
Louise Russell	(Service Head Corporate Strategy and Equality, Law Probity & Governance)
Rachael Sadegh	(DAAT Manager, Community Safety Service, Communities Localities & Culture)
Robin Sager	(Project Development Officer)
Meic Sullivan-Gould	(Interim Monitoring Officer, Legal Services, LPG)
Matthew Mannion	(Committee Services Manager, Democratic Services, LPG)

## **1. APOLOGIES FOR ABSENCE**

Apologies for absence were received on behalf of the Mayor, Councillor Ohid Ahmed (Cabinet Member for Community Safety), Councillor Alibor Choudhury (Cabinet Member for Resources), Robin Beattie (Service Head, Strategy and Resources) and Aman Dalvi (Corporate Director, Development and Renewal).

The Deputy Mayor stated that as the Mayor was unavoidably absent, he would be Chairing the meeting and determining the reports presented. This was in line with Paragraph 1(7) of Schedule A1 of the Local Government Act 2000 which provided that 'If for any reason the elected Mayor is unable to act..., the deputy mayor must act in the in the elected Mayor's place.'

## **2. DECLARATIONS OF DISCLOSABLE PECUNIARY INTERESTS**

None were declared.

## **3. UNRESTRICTED MINUTES**

The unrestricted minutes of the Cabinet meeting held on 4 February 2015 were noted subject to the addition of Councillor Joshua Peck in the list of attendees.

## **4. PETITIONS**

### **Threat of Closure of SEN Unit at Cambridge Heath**

Sarah Jennings presented the petition on behalf of the petitioners. After a question and answer session with Members, the Deputy Mayor responded to the points raised.

### **DECISION**

1. That the petition be referred to the Corporate Director, Education, Social Care and Wellbeing, for a written response on any outstanding matters within 28 days.

#### **Action by:**

**CORPORATE DIRECTOR, EDUCATION, SOCIAL CARE AND WELLBEING  
(R. McCULLOCH-GRAHAM)**

## **5. OVERVIEW & SCRUTINY COMMITTEE**

### **5.1 Chair's Advice of Key Issues or Questions in Relation to Unrestricted Business to be Considered**

Nil items.

## **5.2 Any Unrestricted Decisions "Called in" by the Overview & Scrutiny Committee**

Nil items.

## **6. A GREAT PLACE TO LIVE**

### **6.1 The Allocations Scheme 2015 and Lettings Plan**

#### **DECISION**

1. To agree to amend the Allocations Scheme to provide capacity to place homeless applicants on autobid in the circumstances set out in section 4.10 – 4.14 of the report.
2. To authorise the Corporate Director Development Renewal to set quotas for the proportion of lets to be made to homeless households.
3. To agree the revised priority target groups for the Lettings Plan set out in section 5.3 of this report.

#### **Action by:**

**CORPORATE DIRECTOR, DEVELOPMENT AND RENEWAL (A. DALVI)**  
(Service Head, Housing Options (C. Cormack))

#### **Reasons for the decision**

Some important changes were introduced when the Allocations Scheme was last amended in 2013. These principally included bid limits, penalties for refusal of offers and the adoption of residency criteria for joining the housing list. In addition, the choice based lettings IT system was enhanced to enable applicants to place bids using mobile technology, to see property outcome information and, significantly, to gain real time queue positions at the point of bidding, thus enabling applicants to make informed choices.

The recommendations in this report are designed to ensure that the council and its partners continue to make best use of the supply of available social housing.

Some minor policy amendments are proposed as well as revisions to the Lettings Plan. This report recommends the adoption of all of these. The alternative is to either not amend the Policy or to adopt some, but not necessarily all, of the recommended amendments.

In April 2013, non-IT dependent amendments were applied to the Allocations Scheme with those changes needing IT reconfiguration being adopted in the October of that year. The primary aim was to make the service more efficient and accessible for residents by reducing the number of offer refusals thus affording other priority need applicants the opportunity to be rehoused.

Early indications are that the changes have had the desired effect. The aim of the report's recommendation is to build on this success. However, the report

also identifies one unintended consequence that has had an adverse impact on homeless applicants.

Finally, the Lettings Plan as agreed by Cabinet in 2013 has also been revised and is outlined in this report for Cabinet to consider and agree.

### **Alternative options**

Some minor policy amendments are proposed and revised Lettings Plan. This report recommends the adoption of all of these. The alternative is to either not amend the Policy or to adopt some, but not necessarily all, of the recommended amendments

## **6.2 Disposal of Land Interests acquired by Compulsory Purchase Order (CPO) to and on behalf of Swan Housing (Hackworth Point & Mallard Point).**

### **DECISION**

1. To confirm the transfer to Swan Housing at nil consideration, of the following land interests acquired under Compulsory Purchase Order, for the purpose of delivering the Crossways Regeneration Scheme (Single Regeneration Budget 6):
  - No. 10 Hackworth Point, Rainhill Way, E3 3ET;
  - No. 91 Hackworth Point , Rainhill Way, E3 3EX;
  - No's. 6,12,16,26,31 Mallard Point, Rainhill Way E3 3JE;
  - No's 53,56,59,68,91 Mallard Point Rainhill Way, E3 3JF
2. To note that any transfer of property to Swan will require the consent of the Commissioners appointed by the Secretary of State.

### **Action by:**

**CORPORATE DIRECTOR, DEVELOPMENT AND RENEWAL (A. DALVI)**  
(Regeneration Schemes Co-ordinator (R. Sager))

### **Reasons for the decision**

The Council made the CPO on behalf of Swan, in support of its regeneration programme. The decision to transfer the land interests only arises because they have been vested in the council on making the General Vesting Declaration (GVD). All costs involved are being met separately by Swan and the Council does not have any interest in retaining these sites, since they form part of a major regeneration on an Estate owned and managed by Swan, following large scale voluntary stock transfer in 2005.

There is a contractual requirement for the Council to transfer these interests to Swan, as part of the estate transfer/regeneration agreement in 2005.

### **Alternative options**

There is no alternative option. These properties have only been technically vested with the council. Any delay in handover will have critical cost implications for the Registered Provider. The regeneration work carried out by

Swan has fulfilled commitments made to the local community and to the council, when the estate was approved for stock transfer.

## **7. A PROSPEROUS COMMUNITY**

### **7.1 Determining the School Admission Arrangements for 2016/17**

#### **DECISION**

1. To agree the arrangements and oversubscription criteria for admission to Community Nursery Schools/Classes in 2016/17, as set out in Appendix 1.
2. To agree the arrangements, oversubscription criteria and catchment areas for admission to Community Primary Schools in 2016/17, as set out in Appendices 2 and 3.
3. To agree the arrangements and oversubscription criteria for admission to Community Secondary Schools in 2016/17, as set out in Appendix 4.
4. To agree the schemes for co-ordinating admissions to the Reception Year of primary school and Year 7 of secondary school for 2016/17, as set out in Appendix 5.
5. To agree the scheme for co-ordinating 'In-Year' Admissions for 2016/17, as set out in Appendix 6.
6. To agree the planned admission number for each School in Tower Hamlets in 2016/17, as set out in Appendix 7.

#### **Action by:**

**CORPORATE DIRECTOR, EDUCATION, SOCIAL CARE AND WELLBEING  
(R. McCULLOCH-GRAHAM)**

#### **Reasons for the decision**

The Council decides and implements its school admission arrangements through local consultation, enabling it to fully understand and meet circumstances in its area. In doing so, the Council seeks to provide a clear framework intended to ensure arrangements are lawful, reasonable and minimise delay to children accessing education.

The proposed schemes, consultation and recommendations in this report are consistent with the Council's statutory duties as set out in the most recent revision of the School Admissions Code (Dec 2014).

The Council is addressing the rising need for school places and ensuring that both its school admission and school place planning arrangements work in harmony. 14.5FE of additional primary capacity has been created in the school years 2008/09 to 2013/14. This equates to 435 more places available for the Reception year and 3045 places when the additional capacity is filled in all year groups.

The co-ordination of arrangements together with school catchment areas provide a framework to plan the provision of school places more coherently, taking account of existing and future school locations; travelling distance; pupil migration and changes in neighbouring boroughs.

### **Alternative options**

The Council has a statutory duty to annually determine the arrangements for admission to its community schools and to formulate a complying scheme for co-ordinating admissions at the main points of entry (i.e. reception, Year 3 for junior schools and Year 7 for transfer from primary to secondary school). If Cabinet fails to take such action the Council would be acting contrary to the law.

The recommendations in this report have been prepared with regard to the need for arrangements to be clear, objective and fair. Due consideration has been given to alternative admission arrangements, but any alternative action could lead to inequality and leave the Council open to legitimate complaint and legal challenge. If Cabinet wished to consider adoption of alternative arrangements, then full consideration would need to be given to the guidance provided in the report, particularly as to the legal requirements.

## **8. A SAFE AND COHESIVE COMMUNITY**

Nil items.

## **9. A HEALTHY AND SUPPORTIVE COMMUNITY**

### **9.1 DAAT Commissioning Intentions Update**

#### **DECISION**

1. To agree to the continued commissioning of the services outlined in the report.
2. To agree the proposal to commence consultation around the decommissioning of the Harbour Recovery Centre.
3. To note a reduced funding envelope for drug / alcohol treatment services in the borough.
4. To authorise the commencement of the treatment system procurement exercise.

#### **Action by:**

**CORPORATE DIRECTOR, COMMUNITIES, LOCALITIES AND CULTURE  
(S. HALSEY)**

(Service Head, Community Service (A. Bamber)

(DAAT Co-ordinator (R. Sadegh)

**Reasons for the decision**

In July 2014, the Mayor in Cabinet agreed to re-procurement of the drug / alcohol treatment system in line with a specified model (Option 3). This paper highlights additional services that need to be procured within that system in order that the system may operate effectively and improve outcomes for Tower Hamlets residents

In order to secure cost effective residential treatment services and improve outcomes for drug users in treatment, LBTH should undertake a consultation process regarding the future of the Harbour Recovery Centre.

There are considerable financial pressures across LBTH which necessitate a review of spend across all projects. The proposed reduction in funding across drug / alcohol services is considered achievable via re-procurement without a significant impact upon frontline services.

The drug / alcohol treatment system has not been subject to competitive procurement for a number of years and there is a commitment within the substance misuse strategy to review the structure of the treatment system to improve outcomes and increase cost effectiveness.

**Alternative options**

Reject the re-procurement proposals and restart the design process.

Continue with current commissioning arrangements – subject to legal challenge and worsening outcomes.

**10. ONE TOWER HAMLETS****10.1 Digital Inclusion Strategy****DECISION**

1. To agree the Digital Inclusion Strategy and Action Plan (Appendix 1).
2. To note the partnership approach and consultation activity, outlined in section 3, which has helped develop the Digital Inclusion Strategy and Action Plan (Appendix 1);

**Action by:****ACTING CORPORATE DIRECTOR, RESOURCES (C. HOLME)**

(Service Head, Corporate Strategy and Equality (L. Russell)

(Strategy, Policy and Performance Officer (E. Kuper-Thomas)

**Reasons for the decision**

This paper fulfils the commitment made by Cabinet in April 2014 in the “Response to the Tower Hamlets Fairness Commission” report and in the Council’s Strategic Plan to create and implement a Digital Inclusion Strategy.



Supporting our residents to be digitally included is becoming increasingly important due to Central Government's *Digital by Default Agenda*; the range of financial, educational, employment and health benefits of being online and the growing preference of service providers to move more transactions online.

Demand for digital inclusion support is increasing and without a co-ordinated partnership strategy there is a risk that residents will be excluded from the benefits of digital inclusion, and may possibly risk losing access to some benefits and services.

### **Alternative options**

The Mayor in Cabinet may choose not to agree the strategy. This course of action is not recommended as the need for a more co-ordinated and targeted partnership approach to tackling digital exclusion has been identified, particularly as demand for digital inclusion support services is increasing in response to the Government's digital by default agenda and the evidenced benefits digital inclusion can provide.

The Mayor in Cabinet may choose to amend the strategy prior to approval. Should he wish to do so, any amendments should reflect local needs. The resource and equality implications of any changes will also need to be considered.

## **10.2 Contracts Forward Plan 2014/15 Q4**

### **DECISION**

1. To confirm that all reports listed in Appendix 1 to the report can proceed to contract award after tender subject to the relevant Corporate Director who holds the budget for the service area consulting with the Mayor and the relevant Lead Member prior to contract award.
2. To authorise the Head of Legal Services to execute all necessary contract documents in respect of the awards of contracts referred to at Recommendation 1 above.

### **Action by:**

**ACTING CORPORATE DIRECTOR, RESOURCES (C. HOLME)**

(Head of Procurement (Z. Ahmed))

### **Reasons for the decision**

The Council's Procurement Procedures require submission of a quarterly forward plan of contracts for Cabinet consideration, and it is a requirement of the Constitution that "The contracting strategy and/or award of any contract for goods or services with an estimated value exceeding £250,000, and any contract for capital works with an estimated value exceeding £5,000,000, shall be approved by the Cabinet in accordance with the Procurement Procedures". This report fulfils these requirements for contracts to be let during and after the period Q4 of the Financial Year.

**Alternative options**

Bringing a consolidated report on contracting activity is considered the most efficient way of meeting the requirement in the Constitution, whilst providing full visibility of contracting activity; therefore no alternative proposals are being made.

**10.3 Best Value Plan**

The Deputy Mayor noted the tabled amendments.

**DECISION**

1. To approve the Best Value plans in relation to Property and Communications;
2. To approve the Publicity Plan
3. To note the remaining Best Value Plans.

**Action by:****HEAD OF PAID SERVICE (S. HALSEY)**

(Service Head, Corporate Strategy and Equality (L. Russell))

**Reasons for the decision**

The Council is required to agree these plans to comply with Secretary of State Directions.

**Alternative options**

The Council is required to comply with Secretary of State Directions.

The actions within the plans have been the subject of consultation with a range of parties and the Commissioners which has considered alternative options.

**11. ANY OTHER UNRESTRICTED BUSINESS CONSIDERED TO BE URGENT**

Nil items.

**12. UNRESTRICTED REPORTS FOR INFORMATION**

Nil items.

**13. EXCLUSION OF THE PRESS AND PUBLIC**

No motion to exclude the press and public was passed.

**14. EXEMPT / CONFIDENTIAL MINUTES**

The exempt/confidential minutes of the Cabinet meeting held on 4 February 2015 were noted.

**15. OVERVIEW & SCRUTINY COMMITTEE**

**15.1 Chair's Advice of Key Issues or Questions in Relation to Exempt / Confidential Business to be Considered.**

Nil items.

**15.2 Any Exempt / Confidential Decisions "Called in" by the Overview & Scrutiny Committee**

Nil items.

**16. A GREAT PLACE TO LIVE**

Nil items.

**17. A PROSPEROUS COMMUNITY**

Nil items.

**18. A SAFE AND COHESIVE COMMUNITY**

Nil items.

**19. A HEALTHY AND SUPPORTIVE COMMUNITY**

Nil items.

**20. ONE TOWER HAMLETS**

Nil items.

**21. ANY OTHER EXEMPT/ CONFIDENTIAL BUSINESS CONSIDERED TO BE URGENT**

Nil items.

**22. EXEMPT / CONFIDENTIAL REPORTS FOR INFORMATION**

Nil items.

The meeting ended at 6.07 p.m.

John S Williams  
SERVICE HEAD, DEMOCRATIC SERVICES