

Committee OVERVIEW AND SCRUTINY	Date 8th January 2008	Classification Unrestricted	Report No.	Agenda Item No. 6.2
Report of: Corporate Director – Development & Renewal		REPORT “CALLED IN” – Whitechapel Centre		
Originating Officer(s): Kweku Quagraine		Ward(s) affected: Whitechapel		

1. SUMMARY

The attached report of the Corporate Director of Development & Renewal, was considered by the Cabinet on 5th December 2007 but has been “Called In” for further consideration by Councillors Dulal Uddin, Mamun Rashid, Mohammed Abdul Munim, Lutfu Begum, Oliur Rahman, Stephanie Eaton and Tim O’Flaherty. This is in accordance with the provisions of Part Four of the Council’s Constitution.

2. RECOMMENDATION

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

Local Government Act, 1972 Section 100D (As amended)

List of “Background Papers” used in the preparation of this report

Brief description of “background paper”

Cabinet report (183/034)

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

**Kweku Quagraine
020 7364 4877**

3. BACKGROUND

- 3.1** The Council agreed in February 2004 to the transfer of the Whitechapel Centre to a Tower Hamlets Community Trust. This report updates Cabinet on the progress with regard to the transfer and outlines the current condition of the building.
- 3.2** The report also details the financial and other implications of such an asset transfer and proposes a way forward following an application for grant funding from the Government's Community Assets Programme, of which Tower Hamlets is a designated pilot authority.

4. DECISION OF THE CABINET

- To note the current position in respect of the Whitechapel Centre and the estimated cost of essential remedial works as outlined in paragraph 4.2 of the report (CAB 085/078).
- To note the application for grant funding from the Big Lottery's Community Assets Programme (paragraphs 4.3 to 4.8 of the report [CAB 085/078]) and the likely residual capital costs associated with this application to bring the building up to a suitable standard to facilitate transfer of the asset to a third sector organisation.
- That the projected £1.44million Whitechapel Centre refurbishment be submitted as a bid to the Council's capital programme in the current budget process to enable adoption of a capital estimate should the Community Assets Fund application be successful and residual funding identified, as set out in paragraphs 5.3 to 5.5 of the report (CAB 085/078).
- To agree to the transfer of the Whitechapel Centre on a long leasehold to the Whitechapel Community Trust community interest company, at nil consideration, subject to a successful award of £1million from the Community Assets Fund and delivery of the refurbishment scheme.
- To agree that a further report be submitted for Cabinet consideration in April 2008 to comprise a progress update and if appropriate an outline contingency proposals in the eventuality that a bid grant support from the Community Assets Fund is unsuccessful.

5. THE “CALL IN” REQUISITION

- 5.1.1 The centre was sold to the former Cityside Regeneration Company Ltd in 2002. As part of the wind-up of the company, the freehold was reverted back to the council in 2004 and the council agreed in February 2004 to the transfer of the Whitechapel Centre to a Community interest company. The freehold of the property includes a covenant from the LDA (as funders of the original Cityside purchase), that there be an intention to dispose of a long leasehold interest in the centre to a charitable company so that it continues to be used for the purposes of the SRB approval. The building is currently managed by SSBA on behalf of the council.
- 5.1.2 The ‘Call In’ members believe that this report does not give an accurate account of the negotiations carried out by the council with any such ‘community interest company’. In fact, the report is somewhat misleading. Since transfer back to the council in 2004, the council did not engage with the Whitechapel Community Trust as this trust came into existence only in 25/04/2007. Since its recent formation, the Trust is not a group of recognised local stakeholders, reflective of the vast number of existing and established community organisations, whom should rightly be stakeholders of this valuable asset in order to ensure they are central to the delivery and sustainability of future activities and programmes operating from this building.
- 5.1.3 The ‘Call In’ members agree that the proposed use of this building is very much needed however, transfer to a newly formed trust consisting of random ‘individuals’ operating from a private residential address is wrong and dangerous. Established and recognised local community based organisations with a proven track record of project delivery, financial management and demonstrated accountability need to be the stakeholders to any new ‘Trust’ which seeks to take ownership and control of this publicly owned asset, particularly so when the councils’ capital programme is sought to inject finance.
- 5.1.4 Furthermore, the representative organisations which form the trust should be based in the Whitechapel ward, transparent and elected. The location is central to providing the range of services it proposes to deliver which is much needed in the immediate area of social deprivation, and will have a greater opportunity to succeed if the trust/project is clearly inclusive of a broad range of existing stakeholder organisations. This would also ensure that project costs could be kept to a minimum rather than creating duplication in management costs. Organisations in Whitechapel are feeling resentment at not being pro-actively engaged in the recent creation of the Whitechapel Community Trust.

6. ALTERNATIVE COURSE OF ACTION

6.1 Include in 2.4, after the words ‘refurbishment scheme’ the addition of:

Subject to:

- Invitation to all community organisations operating in the Whitechapel ward to a meeting to discuss the future of the Whitechapel centre. The council should assist

by ensuring that all the community organisations in receipt of mainstream grant-aid in the Whitechapel ward are included within this invitation list.

- The above meeting to be given the opportunity to finalise and agree upon the governing documents (Memorandum of Association and Articles of Association) of the ‘Whitechapel Community Trust’, and to ensure that they are given an equal opportunity to decide upon and elect the Trustees/Directors to the Whitechapel Community Trust.
- The above should be carried out prior to the transfer of the Whitechapel centre to the Whitechapel Community Trust, or any such other community interest company.

7. CONSIDERATION OF THE “CALL IN”

7.1 The following procedure is to be followed for consideration of the “Call In”.

- (a) Presentation of the “Call In” by one of the “Call In” Members followed by questions.
- (b) Response from the Lead Member/officers followed by questions.
- (c) General debate followed by decision.

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

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

8. RECOMMENDATION

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