

Committee: OVERVIEW AND SCRUTINY	Date: 1 April 2008	Classification: Unrestricted	Report No.	Agenda Item No.
Report of: Assistant Chief Executive Originating Officer(s): John Williams, Service Head, Democratic Services			Title: Cabinet Decision Called-in: Draft Ocean New Deal for Communities Delivery Plan 2008/09 Wards: Limehouse, St. Dunstons & Stepney Green, Mile End & Globe Town.	

1. SUMMARY

- 1.1 The attached report of the Corporate Director, Development and Renewal was considered by the Cabinet on 5th March 2008 and has been "Called In" by Councillors Dulal Uddin, Abjol Miah, Harun Miah, Fozol Miah and M. A Munim for further consideration. 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

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

John S Williams
02073644204

3. BACKGROUND

- 3.1** The attached report of the Corporate Director, Development and Renewal was considered by the Cabinet on 5th March 2008 and has been “Called In” by Councillors Dulal Uddin, Abjol Miah, Harun Miah, Fozol Miah and M. A Munim for further consideration. This is in accordance with the provisions of Part Four of the Council’s Constitution.

4. THE CABINET’S PROVISIONAL DECISION

- 4.1** The Cabinet after considering the attached report provisionally agreed:-
1. That the 2008/09 New Deal for Communities (NDC) Delivery Plan, as set out in Appendix 1 to the report (CAB 137/078), be approved;
 2. That the Corporate Director of Development and Renewal, after consultation with the Lead Member Regeneration and Community Partnerships, be authorised to finalise the plan, making any appropriate and necessary minor amendments prior to submission to Government Office for London; and
 3. That it be noted that any significant changes to the draft 2008/09 NDC Delivery Plan, which represent key decisions for the Authority, will be submitted to the Cabinet for consideration.

5. REASONS FOR THE ‘CALL IN’

- 5.1** The Call-in requisition signed by the five Councillors listed above gives the following reasons for the Call-in:

The report seeks approval for the ONDC delivery plan for 2008/9. The ONDC draft ‘Delivery Plan’ reports the cutting off of funding to several projects, as part of an exit strategy. It significantly reduces resident involvement and abandons the core principles of resident choice and consultation which were supposed to define this ‘community-led’ programme.

It seeks to make far-reaching changes to the tenure, social, economic and inevitably also the ethnic mix of the Ocean estate and is contrary to the wishes of tenants and leaseholders.

1. Governance

A Community Interest Company (CIC) is proposed to run ONDC in its final years and to ‘manage...regeneration processes’. (4.7) This Company has only two council and three resident representatives out of 14 on an interim board.

It is not clear what its legal and other status is, to whom it is accountable and what control it will have over council and other public assets. These questions must be clarified.

Nor is it clear what the relationship is between this and the proposed Ocean Regeneration Trust (ORT) which will 'take on ownership and management of community facilities' (appendix 1, 4.1).

This will have a maximum of 12 Board Directors, with no information on how or by whom these are selected and appointed.

No detail of the role, function and regulation of the CIC or ORT is included. Members should not be asked to authorise in principle the transfer of £millions of public assets without seeing draft rules (Memorandum and Articles of Association) and legal comments on these.

2. RSL Involvement

Despite the 'NO' vote rejection transfer to an RSL, the proposals give RSL(s) a central role on Ocean, through a leasing and sub-leasing process – first from LBTH to ORT, and then from ORT to RSL(s). There is no justification offered for what an RSL would contribute and why they are necessary to these arrangements. RSL involvement would mean extra costs in administration, bureaucracy and legal costs of creating two leasing and management agreements. For tenants and leaseholders they offer worse conditions in terms of tenure security, accountability and costs, and this has been rejected by an overwhelming vote.

3. Housing plans

ONDC reports that £13.5 million has been spent on housing in years 1-7 of the programme, including £3.9 million of LBTH funding on leaseholder buybacks. The total projected spend from LBTH on leaseholder buybacks is £9.6 million by 2010 (see Appendix 1 Annexe 5 Table D 7310 p223)

A thorough and critical reappraisal is needed of how funding is being used to allow demolition of structurally sound blocks to make way for private development.

There is a continued total failure to consider the option of most importance to residents: maximising funding for improvements, with a 'transformational' programme of refurbishment and improvement and building new council housing. Refurbishment has been central to other NDC programmes and programmed imaginatively, can be done using ONDC as well as other funding.

Firm technical evidence is required before demolition of seven blocks of structurally sound homes, when other blocks on the estate are in poorer condition.

4. Community Centres and Facilities

The ORT plans are dependent on demolition of Dame Colet, Haileybury, St Dunstan's Resource Centre and LIFRA hall to create development sites. There has been no cost/benefit analysis of retaining these facilities for community use and/or adapting some of them for shared residential use.

LIFRA hall for example is a modern building and significant legacy from the Limehouse Fields/SHADA redevelopment.

5. Homeless

The proposals involve rehousing up to 300 homeless households currently living on the estate, many long-term residents with children in local schools. It is essential that we have an assessment of the impact on these families, and on borough-wide housing allocations. Are these families given an option to remain or return to the Ocean estate?

6. ALTERNATIVE COURSE OF ACTION PROPOSED:

6.1 The Councillors submitting the Call-in requisition have proposed the following alternative course of action:

A further report is required to:

1. Clarify proposed governance and accountability arrangements. There should be clear democratic accountability, with Council and resident representatives making up a majority on Boards.
2. Housing proposals should be reassessed against alternative proposals (including those in the outline Tenants and Residents Plan outlined to O&S 4. 6.07), in an open process to demonstrate that the Option pursued is cost effective and best serves the needs of residents of the Ocean estate and of Tower Hamlets, now and for future generations.

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.

N.B. – In accordance with the Overview and Scrutiny Committee Protocols and Guidance adopted by the Committee at its meeting on 6 June, 2007, any Member(s) who presents the “Call In” is not eligible to participate in the general debate.

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