


<p style="text-align: center;">Non-Executive Report of the:</p> <p style="text-align: center;"><b>Overview and Scrutiny Committee</b></p> <p style="text-align: center;">26<sup>th</sup> September, 2022</p>		 <p style="text-align: center;"><b>TOWER HAMLETS</b></p>
<p><b>Report of Janet Fasan</b> Divisional Director Legal and Monitoring Officer</p>		<p><b>Classification:</b> Unrestricted</p>
<ul style="list-style-type: none"> <li>❖ <b>Individual Mayoral Decision:</b> No. 302 - 3-5 Arnold Road: Approval to increase project budget to enable build contract to be awarded. 8th September 2022.</li> <li>❖ <b>Individual Mayoral Decision:</b> No. 303 - Redevelopment of Bancroft and Wickford Street Garages, Mayor's Executive Decision Making - Wednesday, 14th September 2022.</li> </ul>		
<p><b>Originating Officer(s)</b></p>	<p>Joel West, Democratic Services Team Leader (Committee)</p>	
<p><b>Wards affected</b></p>	<p>Shadwell</p>	

## CONSIDERATION OF THE CALL IN's

Call in requests have been received on the following In Individual Mayoral Decisions (IMD):

1. **No. 302** - 3-5 Arnold Road: Approval to increase project budget to enable build contract to be awarded. 8th September 2022; and
2. **No. 303** - Redevelopment of Bancroft and Wickford Street Garages, Mayor's Executive Decision Making - Wednesday, 14th September 2022.

The following procedure is to be followed by the Committee for consideration of the Call In:

- i. Chair to invite a call-in member to present call-in.
- ii. Chair to invite members of the Committee to ask question.
- iii. Chair to Invite the relevant Executive Member to respond to the call-in.
- iv. Chair to invite members of the Committee to ask questions.
- v. Followed by a general debate.

It is open to the OSC to either resolve to take no action (which would have the effect of endorsing the original Cabinet decisions), or to refer the matter back to the

Cabinet for further consideration setting out the nature of its concerns and recommending an alternative course of action.

In accordance with the Council's call-in procedure rules, these two IMD's have been referred to the OSC for its consideration and to decide whether to refer them back to the Mayor for further consideration.

## **RECOMMENDATION**

That the Overview and Scrutiny Committee (OSC) considers:

1. The contents of both attached reports, review both the Mayor's IMDs (provisional, subject to call in) arising; and
2. Decide whether to accept the decisions or to refer either of them back to the Mayor with proposals and reasons.

## **INTRODUCTION**

### **Call in requests have been received on the following In Individual Mayoral Decisions (IMD):**

1. No. 302 - 3-5 Arnold Road: Approval to increase project budget to enable build contract to be awarded. 8th September 2022; and
2. No. 303 - Redevelopment of Bancroft and Wickford Street Garages, Mayor's Executive Decision Making - Wednesday, 14th September 2022.

The above has been 'Called-In' by Councillor James King (signed also by Councillors Leelu Ahmed; Sirajul Islam; Amina Ali; Amy Lee; Shubo Hussain and Faroque Ahmed). This is in accordance with the provisions of the Overview and Scrutiny Procedure Rules of the Council's Constitution.

## **REASONS FOR THE CALL IN**

The call-in requisition from the Councillors noted above has provided the reasons for the call-in. The reasons are replicated below:

An uplift of £4.49 million to fund the Arnold Grove site and an uplift of £3m Bancroft TMC and Wickford Street garages site could be funded from alternative sources.

For example, including but not limited to underspends within the Housing Revenue Account, reserves within the Housing Revenue Account, commuted sums from off-site affordable housing contributions which have not yet been spent.

The cancellation of the Gill Street site is unexplained and not necessary in order to free up HRA funds. The report provides no appraisal of the risks and outcomes of this decision.

The cancellation of the Gill Street development loses 15 units for social and affordable rents, a new community space and other new community facilities for the St. Vincent's Estate in Limehouse.

The decision cancels a scheme on which £848,000 has already been spent. This is a waste of council resources.

The Budget Monitoring report presented to July's Cabinet states there is an £8.3million underspend in the Housing Revenue Account, which will be allocated to Reserves if not used by the end of the year. [Appendix A - 2021-22 Period 12 Budget Monitoring Report.pdf \(towerhamlets.gov.uk\)](#)

This deficit could easily absorb the proposed increase in the Arnold Grove and Bancroft TMO/Wickford Street contracts without having to cancel an existing scheme.

Equalities Impact Assessment notes the need to build the 62 units at Arnold Grove and 33 units at Bancroft/Wickford Street but fails to assess the cancellation of the loss of 15 units at the Gill Street site.

### **ALTERNATIVE COURSE OF ACTION PROPOSED**

The call-in requisition from the Councillors noted above has provided a proposed alternative course of action and the proposed alternative courses of action are replicated below:

#### **Alternative course of action**

To:

1. Fund the increase in the contract for the Arnold Grove and Bancroft TMO/Wickford Street Schemes from Housing Revenue Accounts Reserves.
2. Provide an impact and financial appraisal of funding the increase from different sources; and
3. Keep, amend, or cancel the Gill Street scheme after a transparent impact and financial appraisal.

### **WITHIN THE COUNCIL'S POLICY OR BUDGET FRAMEWORK**

Tower Hamlets Council Strategic Plan 2022-2026 : Priority 2 states an ambition to 'deliver a minimum of 1000 social homes for rent per annum'.

Priority 8 states the council will 'Deliver a balanced budget, innovate to improve value for money, deliver modern services, and improve customer satisfaction across council services. This Mayoral Decision does not provide value for money when £849,000 of spend is to be scrapped.

### **RECOMMENDATION**

That the Overview and Scrutiny Committee:

1. Considers the contents of the attached reports and review the decisions (provisional, subject to Call In) arising; and

2. Decide whether to accept the decision or to refer either decision back to the Mayor with proposals and reasons.

❖ **Appendix A** 302 - 3 to 5 Arnold Road, Mayor's Executive Decision Making Friday, 9th September 2022

❖ **Appendix B** 303 - Redevelopment of Bancroft and Wickford Street Garages, Mayor's Executive Decision Making Wednesday, 14th September 2022