


<p>Non-Executive Report of the:</p> <p><b>Overview and Scrutiny Committee</b></p> <p>9 January 2023</p>	 <p><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>
<p><b>Call in - Housing Revenue Account (HRA) 2022 - 25 Capital Programme: Latest position</b></p>	

<b>Originating Officer(s)</b>	Joel West, Democratic Services Team Leader (Committee)
<b>Wards affected</b>	All

## CONSIDERATION OF THE CALL IN

A call in request has been received on the decision of Cabinet, 30 November 2022 on Item 6.4 Housing Revenue Account (HRA) 2022 - 25 Capital Programme: Latest position.

In accordance with the Council's call in procedure rules, the matter is referred to the OSC for its consideration and to decide whether to refer the matter back to Cabinet for further consideration. 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 Cabinet 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 possibly recommending an alternative course of action.

## RECOMMENDATION

That the Overview and Scrutiny Committee (OSC) considers:

1. The contents of the attached report, review the Cabinet's decision (provisional, subject to call in) arising; and
2. Decide whether to accept the decision or to refer the matter back to the Cabinet with proposals and reasons.

## INTRODUCTION

On 30 November 2022, the Mayor in Cabinet considered a report on Housing Revenue Account (HRA) 2022 - 25 Capital Programme: Latest position.

As a result of discussions on the report it was **RESOLVED**:

1. To approve the budget allocations for new schemes being added to the programme as substitutes for previously approved schemes which are being removed, subject to sign off through the capital governance process and agreement to proceed given by the Corporate Director, Place in consultation with the Mayor and the Corporate Director, Resources.
2. To approve the addition of Buckhurst Street, Smithy Street, Candy Street, housing on the St Georges Leisure Centre site, the purchase of 9 completed homes at Royal Mint Street, the conversion of Albert Jacob House to be funded by the removal of the Ashington House scheme and unallocated grant and s106, subject to sign off through the capital governance process and agreement to proceed given by the Corporate Director of Place in consultation with the Mayor and Corporate Director, Resources.
3. To approve the removal of the housing companies from the capital programme.
4. To approve the virement of £2.098m from the THH capital works budget of £90.200m for essential works at Watney Market car park
5. To approve delegated authority to the Corporate Director, Place, in consultation with the Mayor and the Corporate Director, Resources, to substitute schemes within the Approved HRA Capital Programme.
6. To note that schemes funded by future capital receipts (RTB receipts) and/or s106 contributions will not go ahead until such funds have been received by the Council.
7. To approve delegated authority to the Corporate Director of Place in consultation with the Mayor and the Corporate Director of Resources for all activities required to deliver the approved capital programme, for example but not exclusively, go out to tender, appoint consultants and contractors in

accordance with the Procurement Procedures, acquire land interests, appropriate land from the General Fund to the Housing Revenue Account (HRA) for the delivery of new council homes and other rights of appropriation, subject to approved budget.

8. To note the Equalities Impact Assessment and specific equalities considerations as set out in Section 4 of the report.

The decisions above have been Called-In by Councillors Sirajul Islam, Amina Ali, Amy Lee, James King, Rachel Blake and Leelu Ahmed. This is in accordance with the provisions of the Overview and Scrutiny Procedure Rules of the Council's Constitution.

In accordance with the OSC Protocols and Guidance adopted by the Committee at its meeting on 4th June 2013, any Member(s) who present(s) the "Call In" is (are) not eligible to participate in the general debate.

## **REASONS FOR THE CALL IN**

The call in requisition from the Councillors noted above has provided reason(s) for the call-in. The reason(s) are replicated below:

*'The report to the Mayor in Cabinet states that "The Ashington House scheme has progressed more slowly than anticipated and no longer requires a capital allocation" and concludes that it is "recommended to remove the Ashington House scheme from the HRA capital programme".'*

*In response to a Pre-Decision Question put to the Mayor in Cabinet, officers stated that "The Ashington House scheme has progressed more slowly than expected and is still at the feasibility stage. By removing it from the programme at this time, funding is freed up to allocate to schemes which are further forward. Once the 30-year HRA Business Plan has been updated, the HRA capital programme will be refreshed for 2023-2026. Subject to funding being available in future years, the Ashington scheme may be put back into the programme.*

*We acknowledge that the scheme at Ashington House has progressed slowly, but we are not persuaded it should now be dropped from the HRA Capital Programme with the reason being provided that the funds will be used for the conversion of Albert Jacob House. The Ashington House project has the potential to deliver 79 new council homes that are desperately needed by Tower Hamlets's homeless and overcrowded families.*

*This report also seeks authorisation to allocate £2.098 million from the HRA Capital Programme to the renovation of the car park at Watney Market. While we recognise the value of investing in making this car park more readily available to shoppers, we are not persuaded this sum should be removed from the budget for urgently needed repairs and*

*improvements within tenant's homes and across our remaining council estates.'*

## **ALTERNATIVE COURSE OF ACTION PROPOSED**

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

*'The Mayor agree to retain the Ashington House scheme within the current three year HRA Capital Programme and publish a copy of the latest feasibility study for the project.*

*The Mayor should also publish the feasibility study for the welcome plans to redevelop Albert Jacob House for new council housing and start working on a plan for the similar redevelopment of John Onslow House in Bow.*

*Given its positive contribution to the wider local economy and community rather than directly to council tenants, the Mayor should substitute the use of HRA monies for the Watney Market car park for capital reserves from the General Fund.*

*As £2.098 million will be coming out the HRA, this means leaseholders will be recharged for these works. We feel leaseholders should not be recharged if this car park is for the benefit of wider public.'*

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

### **Linked Report**

- None

### **Appendices**

- Appendix 1 - Housing Revenue Account (HRA) 2022 - 25 Capital Programme: Latest position. [Cabinet, 30 November 2022.](#)

### **Local Government Act, 1972 Section 100D (As amended) List of "Background Papers" used in the preparation of this report**

- None.