

## Labour Amendment to Administration Motion

Proposed – Marc Francis

Seconded – Sirajul Islam

**ADDITIONS BOLD**

**DELETIONS STRUCKTHROUGH**

### This Council notes:

- That overcrowding in the borough has increased ~~from years 2015 to 2022~~ **“over many years”**, with over 14,000 residents now classified as living in acutely overcrowded conditions.
- That the development of new, affordable homes for rent has not kept pace with the rapid population growth and concomitant rise in said overcrowding ~~during the same period~~. **As a result of governments cuts to social housing and homeless grants.**
- ~~That in the same period,~~ **Since 2010** millions of pounds worth of council **assets have been sold including Lutfur Rahman’s decision in 2011 to sell the historic old Poplar Town Hall to a hotelier for just £875k which aroused public controversy and along with the disposal of the Sutton Street Depot and 111-113 Mellish Street was found by the Government commissioned PwC audit in 2014 not to have achieved “best value” for the residents of Tower Hamlets.** ~~were disposed of – assets that could have been developed and prioritised for tackling this growing issue and dearth of affordable housing.~~
- ~~Indeed, for the period 2015–2022, twenty sites owned by the council were disposed of, to the tune of £92.9million, little of which was reinvested into affordable homes for rent.~~
- **This finding was the basis for the former Secretary of State’s specific direction in December 2014 that the independent Commissioners he was sending in to oversee the running of Tower Hamlets Council would have the power to determine whether or not any proposed disposals of council-owned assets went ahead;**
- **In February 2015, Lutfur Rahman authorised the disposal of 12 council-owned sites, including 2 Jubilee Street and the former Tredegar estate boiler house at 329 Morville Street, which were to raise some of the funding towards the costs of the new Town Hall;**
- **When John Biggs was elected as Executive Mayor of Tower Hamlets in 2015 he was advised by senior officers that, while Lutfur Rahman had committed to the construction of a new Town Hall in Whitechapel he had failed to identify the source of much of the capital investment needed to progress this project;**
- **Senior officers also advised that they felt the indicative costing of £90 million was very unlikely to be achieved and that the funding shortfall was therefore even greater than estimated at that stage;**

- In the absence of the funding needed, Mayor John Biggs and Labour councillors were left facing a choice whether to end this project or find the funding required through the disposal at market value of land which Tower Hamlets Council was not utilising at that point;
- Mayor John Biggs chose to authorise the development programme for the new Town Hall, funded through capital receipts from additional disposals of council-owned sites over and above the 12 agreed by Lutfur Rahman in 2015;
- Mayor John Biggs and Labour councillors utilised capital receipts from disposals and the Right to Buy to commence the largest programme of new council housing in Tower Hamlets for a generation and buy other properties for use as self-contained temporary accommodation for homeless families, including the 160 who had previously been left in unsuitable Bed and Breakfast accommodation beyond the legal limit.
- That Tower Hamlets possess some of the most valuable parcels of land in the country, due to its proximity to the city and location in the heart of London.
- That despite this fact, one such property, 34 Mount Terrace, E1 2BB in Whitechapel ward, saw the freehold granted to the NHS for £1 – way below the market value **in recognition that this building would be used by QMU/RLH biosciences department. Enriching the scientific and research status of our borough.**
- That the ~~previous administration also overspent on~~ costs **of the construction** of the new Town Hall ~~rose by at least £40million~~ **due to inflation.**

**This Council believes:**

- That there could have been instances **over many years** where disposals of council-owned assets have been disposed of ~~way~~ below their market value.
- ~~That many of these disposals may not have represented best value for the council.~~
- **The disposal of old Poplar Town Hall, Sutton Street Depot and 111-113 Mellish Street at less than “best value” was one of the basis upon which the Government sent Commissioners into Tower Hamlets;**
- ~~That the proceeds of these disposal were not properly mostly reinvested into frontline services and the reprovisioning and development of affordable homes for rent.~~
- That the residents in this borough have suffered due to the ~~poor financial and political decisions of the~~ **coalition and conservative governments** ~~last Labour administration~~ in their decision **to cut local government funding and impose austerity on the country.**

**This Council resolves:**

- To call on the Chief Executive to launch an investigation into all disposals of Council-owned assets made during the period ~~2015~~ **2010** -2022, with an evaluation on whether best value was achieved for each disposal.
- That this should include all freeholds granted after the disposal of leasehold interests – for example, 34 Mount Terrace saw its freehold sold for £1 *after* the initial leasehold disposal.
- That where this best value was not achieved, that an explanation be provided as to why.
- To identify what the lands were used for once the disposal had taken place.
- To call on the CEO to prepare a report on the Town Hall overspend, focusing on specific areas that saw costs increase the most.
- That Council proposes the Mayor is provided with a report to the next available meeting of the Council's cabinet and – if deemed necessary – to be brought to a meeting of the Overview and Scrutiny Committee and the next full meeting of the Council for discussion.
- **To call on Mayor Lutfur Rahman to issue a public apology for the disposal of old Poplar Town Hall, the Sutton Street Depot and 111-113 Mellish Street which then led to independent Commissioners being sent in to run Tower Hamlets;**
- **To call on Mayor Lutfur Rahman to invite PwC to undertake an independent investigation into whether the disposal of council-owned assets between 2010 and 2022 met the legal requirements to achieve “best value”;**
- **To call on Mayor Lutfur Rahman to invite John Biggs and London Mayor Sadiq Khan to the official opening of all the new council homes being let to homeless and overcrowded families.**