

COUNCIL ASSEMBLY

(ORDINARY)

WEDNESDAY 25 JANUARY 2012

QUESTIONS ON REPORT

ITEM 5.1: BADMINTON HOUSE, QUORN ROAD, SE22 – DISPOSAL OF FREEHOLD INTEREST

1. QUESTION TO THE CABINET MEMBER FOR FINANCE, RESOURCES AND COMMUNITY SAFETY FROM COUNCILLOR MICHAEL BUKOLA

Given the shortage of family sized housing in the borough why is the cabinet intending to sell off a block that mainly consists of 3 and 4 bedroom units?

RESPONSE

As you will be aware, the considerations behind this decision were set out in the report considered by cabinet on 31 May 2011.

The regeneration of the East Dulwich Estate was part of the Southwark Estates Initiative (SEI) agreed back in 1998. One of the principles of SEI was that a contribution to the budget for the programme would be made through sales of land and buildings on the estates that were part of the programme as part of a self-financing approach.

In April 2005, the then executive of the council agreed a revision to this programme for the East Dulwich Estate. This included a commitment to internal refurbishment of tenanted dwellings and the disposal of some voids and land occupied by former residential blocks to assist with finances. The anticipated budget of £25m would be met from £9.9m from receipts on the estate and £15.1m from capital resources centrally held by the council.

There were significant project cost overruns for East Dulwich Estate built up under the previous administration. By early 2009 the total cost was £30m: £5m over budget.

All but one resident of Badminton House had moved out by 2009. The final tenant moved in May 2011.

Selling Badminton House to recoup some of the cost of the massive over-run built up under the previous administration has therefore become unavoidable. That recouping will ensure that there is money to carry out much-needed improvement to our housing stock elsewhere in the borough now that the work on the rest of the East Dulwich Estate is largely complete.

2. QUESTION TO THE CABINET MEMBER FOR FINANCE, RESOURCES AND COMMUNITY SAFETY FROM COUNCILLOR ANOOD AL-SAMERAI

Why are the cabinet abandoning the commitments made to the residents of the East Dulwich Estate that only 1 and 2 bed units would be sold off?

RESPONSE

As stated in my previous answer, this is regrettable but necessary to ensure that some of the massive over-run on the costs for the work can be recouped. As the cabinet report from May states, the emptying of Badminton House mainly took place under the previous administration.

Units larger than 2 bed are only being considered for disposal in Badminton House. General disposals have been limited to 1 and 2 bedroom properties on the rest of the estate. The case of Badminton House is exceptional in other ways. Although it contains family sized units, it is a relatively small block of 11 residential units, situated in the corner of the estate. Also, when the contract was curtailed, Badminton House was the only block that had not been refurbished.

3. QUESTION TO THE CABINET MEMBER FOR FINANCE, RESOURCES AND COMMUNITY SAFETY FROM COUNCILLOR

Is it true that the administration told residents of the East Dulwich Estate they would use commuted sums from Bankside to pay for any overrun on their estate?

RESPONSE

Our administration has made no such suggestion.