

**COUNCIL ASSEMBLY**

**(ORDINARY MEETING)**

**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.

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

Thank you Madam Mayor I do, I would like to thank the cabinet member for his answer. Is the cabinet member seriously suggesting that tonight he is unable to influence or indeed reverse the decision for this council to sell off family sized homes due to 6,000 families in over-crowded accommodation?

**RESPONSE**

I would like to thank the member for his supplemental question.

I think that my answer made clear we are in a very unusual circumstance here with what has happened at the East Dulwich estate. To take people's minds back a very long way, this is part of the Southwark Estates Initiative that was established in 1998 and part of the principle of that is there was always an element of self financing within that overall scheme and people with particularly long memories might well remember that there were some bits of that, because it was not only East Dulwich estate, it was Coopers Road and also Wooddene and of course it was also at one point Tooley Street – and I think on that occasion I was siding with a lot of you over there and against this side over here, saying we should take Tooley Street out of that – but the consequence of all of that is as we have such a massive over-run on the costs of the work there that we do need to do something to try and recoup that cost. Now there are two choices about how we do that – we either do that by robbing money from everywhere else in the borough, which we are doing to some extent here, or we find some way of trying to recompense that by something else.

This seems to be the least worst option available to us. I think it is absolutely necessary and it is something we have spoken to the tenants' association on the estate about. I don't think any of us were happy about going there but I think that they all accept that this is a necessary step that we need to take in these circumstances. Yes it is a shame, it is 11 properties, but let's not over egg this about what we could do with 11 properties; but it is 11 properties that we would like to keep but I think we are unable to do that. So unfortunately that is the answer I have to give you today.

**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.

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

Yes I do Madam Mayor, thank you very much, thank you Councillor Livingstone for your answer.

Just to mention I don't think the tenants' association are that happy but you may want to go to talk to them again. Just wondering really, although you say 'let's not over egg it', we all deal with families in our surgeries who are absolutely desperate for 3 and 4 bedroom homes. The next time he gets one in his surgery will he tell them what he has done?

**RESPONSE**

Next time I get one of those cases in my surgery I will be doing my very best to try to help them and I think we have to look in the context of the overall housing situation in the borough. We are working hard to provide new homes all over the place, we are of course ensuring there is affordable housing, for example on the Heygate site which would not have happened if we had not taken control of that project. There will be far more new houses that provide units of the size you are talking about because of the intervention that we took on the Lend Lease deal on the Heygate than we are losing here. I am quite happy to stand on our record if you are happy to stand on yours.

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

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.