

COUNCIL ASSEMBLY

(ORDINARY)

WEDNESDAY 14 JULY 2010

LATE AMENDMENT

ITEM 8 – LATE MOTION ON THE ELEPHANT AND CASTLE REGENERATION AGREEMENT (see page 6 of supplemental agenda 3)

LATE AMENDMENT F

Moved: Councillor Peter John
Seconded: Councillor Fiona Colley

1. Council assembly notes the decision by the cabinet on 7 July to enter into an agreement with Lend Lease for the regeneration of the Elephant and Castle. It notes that it has delivered in eight weeks what the previous administration failed to deliver in eight years.
2. Council assembly notes that the Labour administration had three principal concerns about the heads of terms that the former administration signed last year:
 - 1) That it included no minimum commitment to affordable housing meaning that there was a very real risk that the existing community would have been displaced by the Liberal Democrats to make way for 100% luxury apartments
 - 2) That it indefinitely shelved the demolition and redevelopment of the shopping centre
 - 3) That it did not even mention the provision of new leisure facilities.
3. Council assembly notes that following 6 May the new cabinet renegotiated these parts of the deal with Lend Lease and managed to secure the following changes:
 - 1) A minimum provision of 25% affordable housing with the opportunity to secure more through the planning process
 - 2) Fresh negotiations between Lend Lease and St Modwens with the guarantee that Lend Lease will underwrite a compulsory purchase of the shopping centre if those negotiations are unsuccessful
 - 3) Progress on the provision of a new leisure centre on the site of the existing centre meaning that, unlike under the Liberal Democrat heads of terms, Elephant & Castle residents will not have to go to Lambeth or anywhere else to swim.
4. Council assembly, notes the following claims by the Liberal Democrat group and Labour responses to those accusations:

- 1) The Liberal Democrats suggest “Taxpayers are set to lose tens of millions of pounds as a result of the revised capital receipts agreed by the Labour administration.” But there is no risk of the developer making millions at the council’s expense. Where their profits are set to increase then the council’s return will also increase. Labour took a positive political decision to secure a guaranteed minimum level of affordable housing provision because we believe that simply displacing the existing community and building luxury apartments would be a sell-out.
 - 2) The Liberal Democrats suggest “The minimum requirement of 25% for affordable housing will see less than 800 homes built on the Heygate site (and fewer than 400 affordable rented homes), shatters the council’s planning requirements of 35% affordable housing in the area and will deliver fewer affordable homes than would have been secured by using these planning rules effectively.” But Labour realised that without a minimum guarantee of affordable housing provision there was a serious risk that the developer would be able to build much lower than 25% affordable home provision, despite planning rules. We have built in this extra safeguard to ensure that this does not happen.
 - 3) The Liberal Democrats suggest the deal “Allows Lend Lease to find an alternative to the MUSCO making a carbon neutral development impossible and will affect the replacement of ageing district heating systems across the borough, including as part of the Aylesbury regeneration.” But this is just not true, the development will be carbon neutral. The MUSCO is being procured separately, which is the situation the Labour administration inherited.
 - 4) The Liberal Democrats suggest: “Neither the shopping centre, nor the northern roundabout are included in the deal, despite Labour pledges.” But Labour has made progress on securing the demolition and redevelopment of the shopping centre as outlined above and that progress on the replacing the northern roundabout will be made through negotiations with Transport for London.
 - 5) The Liberal Democrats suggest “The deal omits any reference to a new library or lifelong learning centre and puts under threat the future of both the Newington and Brandon libraries” But a new library was also not included in the heads of terms either and Labour was not in a position to renegotiate to secure this as well as our other priorities. Furthermore, the claims about Newington and Brandon libraries are baseless and irresponsible.
5. Council assembly therefore notes with regret the Liberal Democrats’ commitment to the gentrification of the Elephant and Castle over affordable housing provision, their desire for further dither and delay rather than progress in this vital regeneration project and believes that these stated positions are contrary to the interests of the borough.
 6. Council assembly supports the agreement negotiated and approved by the cabinet on 7 July and resolves to do all that it can to deliver the community’s vision for the urgent regeneration of the Elephant and Castle.