

**SOUTHWARK COUNCIL
COUNCIL ASSEMBLY
(ORDINARY MEETING)
WEDNESDAY 14 JULY 2010
URGENT QUESTION**

1. URGENT QUESTION TO THE LEADER OF THE COUNCIL FROM COUNCILLOR LEWIS ROBINSON

Can the leader of the council confirm that he has failed to achieve “best consideration” in the regeneration agreement agreed by the cabinet for the Elephant and Castle, one of the most valuable land sites in London, and explain what precise part of the legal agreement with Lend Lease justifies his claim in the Southwark News that in respect of social housing “we hope to end up with close to 35%, maybe more”?

RESPONSE

The achievement of best consideration in the respect of the disposal of the council's land holdings is a key test when disposing of land.

The regeneration of the Elephant and Castle has to be about building a new community there, not just about making a huge profit. The previous administration, by failing to negotiate a minimum, or any level of affordable housing, were willing to sell-out the existing community and displace them with no opportunity for them to return.

We have taken a purposeful political decision to give up the guarantee of some of the profit that the council would have made in the future so that we have a guarantee of affordable homes. We believe this is the right decision. It reflects our priorities for the Elephant and Castle and the original vision for the regeneration of this part of our borough.

We believe that we have undertaken a robust process to achieve best consideration. We are hopeful that the planning process and improvements in the property market will mean that we do achieve a higher level of affordable housing, but we were simply not prepared to take the risk that this should be any less than 25%.

SUPPLEMENTAL QUESTION FROM COUNCILLOR LEWIS ROBINSON

Thank you Mr Mayor – I do. I would like to thank the leader of the council for the legal expertise that he has applied to evading the answer to my question. I wish only that he had applied the same legal expertise to signing and agreeing the regeneration agreement on the Elephant and Castle. So I am going to rephrase my question in hope that I might get a straight one at council assembly. Can he confirm that he has written off a huge capital receipt that the council could have invested for the benefits of residents of the borough? Can he confirm that by effectively agreeing a 25% social housing threshold Lend Lease will go thus far and no further when planning policy previously indicated higher setting a precedent for other developers in the surrounding area and can he also confirm that the Heygate estate will not be demolished until 2014

after the next set of local election, something that no doubt his councillors in East Walworth ward will be grateful for?

RESPONSE

You would think that the agreement which the cabinet agreed to sign with Lend Lease last week was bad news if you listen to the Tories and the Liberal Democrats - its good news, its good news. After 8 weeks this administration is delivering on something which in their 8 years in power they fail to get off the ground and that why it hurts so much to them - but I will return to your question Councillor Robinson. Pretty much it's no, no and no. No we haven't written off a vast capital receipt, we made a decision, a political decision as to whether there should be a minimum guarantee of affordable housing at the Elephant & Castle or whether there should be some guarantee of profits 15 years down the road and we made the choice affordable housing ahead of profits. That's the right decision that we made and I tell you also that I don't think that we have written off those profits at all because just in the way that the property market will continue, I believe, to go up over the period when this bill takes place we will recover more than the guarantee profit which was in the heads of terms which the previous administration agreed, we will get much much more.

On the second point, no we have not set a threshold which Lend Lease will not go beyond. I am confident that had we not set that 25% minimum threshold we could have been seeing less, far less, we could have seen zero affordable housing at the Elephant & Castle. We just simply don't know what the planning process would have thrown up and no there wasn't a 35% target set in the core strategy which you have agreed and which is gone to the Planning Inspectorate now – no there is a target of 1,400 homes for the Elephant regeneration area. 35% is a figment of your imagination I am afraid. On the question of the demolition not happening before 2014, demolition will start at the end of this year and will continue and there is a deadline for demolition to be completed in 2014, sadly because these blocks are full of asbestos we cannot simply blow them all up and throw a cloud of asbestos across the rest of south London. Albeit we might like to throw it to certain parts of the borough – Not. Demolition will be concluded in 2014, this is a lengthy process. Demolition will be completed by 2014 but it will be started at the end of this year as Lewis Robinson well knows.

2. URGENT QUESTION TO THE LEADER OF THE COUNCIL FROM COUNCILLOR ANOOD AL-SAMERAI

Under the terms of the deal he signed last week will the leader confirm that there are no circumstances where the regeneration of Elephant and Castle can now take place without the building of a new swimming pool and library?'

RESPONSE

No deal has yet been signed, and none can be signed until the formal call-in period for the cabinet's decision has expired. However, I believe that it is in the interests of all of the residents of this borough that the agreement which the cabinet has decided to enter into with Lend Lease is signed at the earliest possible opportunity and continued and futile attempts to hinder this process are brought to an end.

Whilst I can foresee no circumstances in which a swimming pool will not form part of a new leisure centre at the Elephant and Castle there are currently no plans for a new library. However, we will continue to consult with local residents about their views on library provision within the Walworth area throughout the regeneration process.

The regeneration of the Elephant and Castle will deliver new homes, new jobs, and new opportunities for the people of Southwark, and the sooner that we start delivering on this vision, the sooner we will all see these great benefits.

SUPPLEMENTAL QUESTION FROM COUNCILLOR ANOOD AL-SAMERAI

Thank Mr Mayor, yes I do. Thank you to Councillor John for his answer. I am disappointed and concerned that in the 8 weeks that you have to sign this deal that you have broken promises to residents which you made just 8 weeks ago. I have here a Chaucer Rose in which you promised a library and life long learning centre and yet your answer here says that there are no plans for a new library. Can you confirm this as another Labour broken promise?

RESPONSE

There is no broken promise on this we will continue, as I say in my answer to Councillor Al-Samerai, to consult with the community as to what community facilities they want to see there but we do have to get real in fact on this issue because at a time when we are facing cuts of between 25% and 33%, again may be more, we have to consider where the revenue will come to run a new library at the Elephant & Castle. We will have to know where that revenue will come from and there might have to be decisions about what other libraries are under threat if we have a new library at the Elephant & Castle. Now those decisions which we can make in due course as we discuss things with the community but I think for me to rush and say yes we will definitely have a library today would be a mistake. Again, as I say - if I am going to have to respond to this I will respond to this - yes, at the time we were campaigning not only for a Labour council but for a Labour government and the Labour government would not have made the savage cuts which this current coalition has made – would not have made the savage cuts which this coalition has made, so yes things were different then.