

Have your say:  
Facebook: southwarknews

Twitter: @southwark\_news

Email: letters@southwarknews.co.uk

BERMONDSEY

# Demolition of Heygate Estate to be brought forward by years

## Blocks could be bulldozed as early as next year

EXCLUSIVE

By Emma Ailes

emma@southwarknews.co.uk

**REMAINING TOWER blocks on the Heygate estate are set to be knocked down years earlier than planned, the News can reveal.**

Southwark Council has decided to bring forward the demolition of the remaining blocks on the vast Heygate estate by paying for it up front and recouping the money from the developer in several years time.

Two of the larger blocks, Kingshill and Swanbourne, and a smaller block Wansey on the Walworth Road site could be bulldozed as soon as next year, two years earlier than planned.

There is currently no exact indication of how much the early demolition will cost, but a council spokesperson said that early estimates for the demolition of the three Walworth Road blocks were between £3m to £4.5 million, and lost income through interest was estimated at around

£30,000 a year.

The money will come out of the Housing Investment Programme, from money reserved for buying out leaseholders on the Aylesbury estate, but not currently being used.

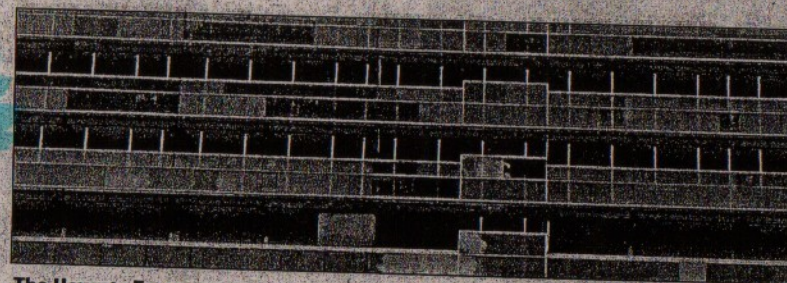
A business case is currently being prepared, which will also look how much money the council will save through the early demolition, for example an estimated £750,000 a year spent securing Kingshill, Swanbourne and Wansey.

Council bosses have heralded the move as a leap forward in regenerating the area, saying the empty blocks are "a blight on the landscape" and a draw for criminality.

However, councillors from opposing parties have questioned the decision, saying that shelling out funds now that will not be paid back by the developer for several years amounts to giving "an interest free loan".

Confidential cabinet 'pink papers' seen by the News state that forward funding the early demolition will adversely affect the council's cash flow over the period between expenditure and reimbursement, but said it will also bring in financial benefits, such as profits from earlier construction on homes.

An opposition councillor who was critical of the decision, who asked not to be named, said: "Southwark Council is doing this because they want to be seen to be doing



The Heygate Estate

something. They are spending money up front out of the Housing Investment Programme and they will only get it back in three of four years' time. That is a considerable cash flow disadvantage to the council, and amounts to giving a corporate developer an interest free loan. That doesn't feel right."

Council leader Peter John dismissed the criticism as "opposition for the sake of opposition". He said: "Everything we've done over the last eighteen months has been about bringing momentum and getting things done quicker than potentially programmed. I think that's a good news story, I don't think that's a bad news story in any way shape or form."

Cllr Fiona Colley, Cabinet member for Regeneration, said: "I, like many people, feel it is a case of the sooner the better in regard to demolishing it."

Other changes to the regeneration

agreement have also been agreed, including the number of new homes proposed for the Rodney Road site being lowered from 350 to 230.

The council says the loss of units will be made up with higher blocks nearer the centre of the main Heygate site, and there will be no overall net loss of homes.

But the reduction means that the deal with developer Lend Lease has been revised, and the council will now only earn £2 million from the land, instead of £4 million originally agreed.

The council says the other £2 million will be made up in land transfer on the main Heygate site in the future.

Cllr Colley said: "This is a clear response to feedback from local residents and will strike a balance between providing affordable homes and ensuring that existing residents don't feel encroached upon."

Editorial - page 2

## Row over annual review of contract

A CHANGE written into the Elephant and Castle contract giving developer an "annual review" has led to questions about whether they are taking "salami slice" money off each year.

The Regeneration Agreement between Southwark Council and developer Lend Lease will be reviewed on an annual basis from now on, both sides the opportunity to make changes.

The council argues that this is "housekeeping" in a long term contract and simply makes the ongoing review process more formal.

Council Leader Cllr Peter John said: "Because things do move in a contract of this nature over fifteen years, things needed to be looked at - needed to be crossed or an 'if' dotted whatever - we would do that on a formal annual basis, rather than a hoc basis."

Opposing the amendment, shadow cabinet member for finance, Cllr McNally said: "In their excessive haste to be seen to be doing something, are negotiating worse deals than had before. A developer is going to come back every year and salami slice more off every year."

When asked if it was possible that an annual review would see the deal renegotiated, Cllr John said: "I don't think so."

"It is certainly not envisaged that this is an opportunity for either us or Lend Lease to say we want to fundamentally change the nature of the agreement going forward. That is simply not it, in fact the regeneration agreement wouldn't allow us to do so."