

London: Public-private housing partnership to enforce social cleansing in Haringey Borough

Ross Mitchell, Robert Stevens
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Haringey Borough Council in London is in the process of enforcing the biggest private housing redevelopment project in Britain. The project is financed by the Housing Development Vehicle (HDV), a 50/50 public-private partnership between the Labour Party-run council and global property developer Lendlease.

Some £2 billion of public assets, including entire council housing estates, schools, clinics and 500 commercial buildings are to be placed into private hands. Haringey's privatisation marks a new stage, whereby UK local authorities themselves—and all the services they provide—are essentially placed under private direction. The council and Lendlease are to act as partners in effectively forcing through the gentrification of housing estates, a necessary social condition for guaranteeing the developer's return on investment.

Five thousand social housing homes spread across seven council estates will make way for 6,400 new homes, "affordable" only to wealthy buyers. Under the HDV, 1,400 council homes on the Northumberland Park estate will be demolished as part of the investment in building a new stadium for billionaire-owned, Premier League football team Tottenham Hotspur.

As expressed baldly in one council document, the message is that residents either up their income or move out. "The ability of local people to afford the new homes being built is dependent on them increasing their incomes to a sufficient level to afford the new homes," it said.

Haringey Borough, with a total area of 29.95 square kilometres, was established in 1965 by amalgamating three former boroughs.

To justify its social cleansing policies, the council published research on income inequality in Haringey. Dividing the borough between West, Central and East Haringey, this found that between 2010 and 2013, average annual income in West Haringey grew from £42,928 to £56,608, while Central and East Haringey saw average income drop from £27,245 to £20,677.

The research established that monthly payments for rents and mortgages in the borough for 2013/2014 varied from

£425.88—for the lowest "socially affordable" rent on a council flat—to £812 for the lowest private rent chargeable on so-called affordable homes, going up to £1,200 for a fully private rent.

The council inferred that the average income to live in the borough was £33,140 and took the decision to reorient its housing policy to cater for those earning at least this median income.

From West to East, Haringey social housing tenures rise from 14.5 percent in West Haringey—the most gentrified area of the borough—to 27.2 percent in Central and 39.4 percent in East Haringey, the least gentrified, with the least privately owned or privately rented tenures.

Haringey residents have been kept in the dark about the full implications of the HDV. The council is currently engaged in a bogus "consultation" with residents over its plans contained in the "Homes for Haringey Management Agreement." This began on October 9 and will continue until November 26.

The council claims that those already living in Haringey can remain, with council leader Claire Kober promising in the *Guardian* in July "to rehouse all existing tenants in the same area, if that's what they want, on the same rent and the same terms."

But the HDV terms of contract state, "The HDV Business Plans prioritise a single move for residents rather than Right of Return."

There are no plans to build social housing under the HDV, only so-called "affordable" housing. As is well known, the prices for these are defined as being up to 80 percent of the market rate. For many Haringey residents this is already unaffordably high and these costs will be driven yet higher by the HDV new builds. Many working class people will be forced out of a borough where 48 percent of households have either no savings or are in debt.

The reality behind Kober's rhetoric is that Haringey council has built no social housing since 2015. Between 2011 and 2014, it only delivered 280 social housing units to residents.

In February, Haringey councillors selected Lendlease as their preferred contractor for the HDV. In July, 49 Labour and eight Liberal Democrat councillors voted for a motion to set up a

legal financial instrument to frame the deal. As the HDV was being established, social housing tenants protested outside the town hall.

On September 25, Haringey finalised its deal with Lendlease. It consists of up to a £4 billion pounds investment by Lendlease with the council in a public-private financial partnership spanning 20 years.

The council has been preparing this mass privatisation for years. In 2013, it commissioned a study from international financial consultants Price Waterhouse Cooper on how best to increase revenues from its housing stock. PWC advised Haringey to set up a wholly-owned private vehicle to manage its housing regeneration.

From 2014 onward, public relations firm Terrapin Communications, whose clients included Lendlease among others, invited Haringey councillors to attend discussions in Cannes, France. Thirteen free “hospitality” events took place there, with councillors and London borough leaders and Greater London Authority (GLA) members meeting global property developers.

Such events have been a regular occurrence, with one costing £43,972 to local taxpayers, hosted at the exclusive MIPIM Property Conference.

In 2014, another study was commissioned by Haringey from the firm Turnberry Real Estate. This company specialises in advising “numerous landowners on the redevelopment of iconic sports facilities” such as the Rugby Football Union and its Twickenham Stadium, but also the Victoria Racing Club in Melbourne with the Flemington Racecourse.

It advised the council to set up a private joint-venture and how to make the most of the financialisation of its housing stock, how to maximise revenues from its ground rents and other rental incomes.

Lendlease, founded in 1958 in Australia by Dutch capitalist Dick Dusseldorp, is based in Sydney, Australia and has 12,000 employees worldwide. Among its major urban regeneration projects are Barangaroo South, Darling Square, Victoria Harbour and Brisbane Showgrounds in Australia; Elephant & Castle and International Quarter London in the UK; Paya Lebar Quarter and Tun Razak Exchange in Singapore, Asia; and Riverline in Chicago, in the USA. It is estimated that Lendlease will reap \$300 million in offshore profits from worldwide property development projects worth \$12 billion by 2023.

Under the Haringey HDV, Lendlease acquires about half of all the council’s commercial portfolio, plus exclusive construction rights on 60 percent of Haringey’s land. The contract is based on a drive “to deliver growth through new and improved housing” and “to achieve a commercially acceptable return.” The total investment by Lendlease is now put at £4 billion, with a return for each party of £275 million over 20 years. UBS Broker estimates the group’s construction margins at £50-£80 million per year.

What is in store for Haringey residents can be seen in the

gentrification and social cleansing in the London Borough of Southwark, with Lendlease’s Elephant & Castle and International Quarter £2 billion project—locally named Elephant Park. Out of 3,000 families housed in 1,276 units, only three could afford to come back to the area.

Protests have been held to oppose Haringey’s plans. A judicial review is currently underway, with 73-year-old local resident Gordon Peters opposing the HDV in court. The review was held on October 25-26 at the Royal Courts of Justice but has yet to report.

On September 23, hundreds of residents demonstrated in opposition to the HDV and social cleansing in London. The protest was led by the Haringey Defend Council Housing group. Those leading the campaign claim that by putting pressure on Haringey’s Labour councillors, they can be forced to change their decision, which involves billions of pounds.

This is the line of various pseudo-left groups, including the Socialist Workers Party, who stated, “Protests and organisation on estates have caused a crisis for the local Labour Party. The Labour left has made gains against the right in the selection process for council candidates that is currently underway. Further protests and organisation on he [sic] estates can put more pressure onto Labour.”

Such a perspective can only lead to defeat. It is the Labour Party—which runs every major urban local authority in London and nationwide—that is enforcing anti-working class social cleansing on behalf of the ruling elite. No amount of pleading to the conscience of Labour councillors anywhere has prevented their social cleaning programme, including in nearby Newham.

The party’s role in Haringey demonstrates that the election of Jeremy Corbyn as its nominally “left” leader has not changed Labour’s pro-capitalist character and programme one iota. Corbyn has refused to oppose the Haringey privatisation, only making a call at Labour’s recent conference for social housing residents nationally to be at least allowed a vote when demolition of their home is posed under “regeneration” plans! In response to this, Haringey council said no such vote would be held and that it will continue regardless.



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