

UK: Southwark Labour Council's gentrification plans meet widespread opposition

Robert Stevens
19 January 2018

Hundreds of protesters forced their way into the offices of the Labour-run London Borough of Southwark Council as a vote of its Planning Committee was taking place.

The committee was voting Tuesday evening on a planning application from the Delancey Corporation for the Elephant and Castle area in the south of the city. It calls for the demolition of the local historic shopping centre, opened in 1965 as the first covered shopping mall in Europe. The plans also involve the demolition of part of the local student campus and the construction of around 1,000 new homes—the vast majority unaffordable to the local working class population.

Elephant and Castle includes many Walworth Council estate residents and is home to a long-standing Latin American community.

After a seven-hour meeting, councillors voted by 4 to 3, with one abstention, to reject the current proposal but not to completely reject the scheme. They agreed to discuss it again on January 30. The committee said the current plans “failed on a number of significant policy grounds,” citing concerns that not enough social rented housing is included in the scheme or adequate protection for traders with units in the shopping centre.

With angry local-residents just yards away, this was an attempt by the council to save face until they are able to force the plans through in another guise.

The determination of Labour to impose social cleansing of the area was evident in the comments of Mark Williams, Southwark's cabinet member for regeneration and new homes. While claiming he respected the “strong feelings” of many locals, “particularly regarding affordable housing and business space,” he insisted, “We remain committed to finding a

solution for a new shopping centre and home for UAL's [University of the Arts London] London College of Communication that works for everyone.”

The Labour Council had tried to sneak its plans through in December, utilising the Christmas holidays—with its previous planning committee meeting scheduled for December 18. This was only prevented by local residents and campaigners.

Over 1,000 people staged a protest outside the venue of the December meeting. In just a few hours, 300 petitions were gathered and 100 new formal objections to the plans made on top of more than 200 already submitted.

Under the development, Delancey plans to build 979 mainly luxury apartments, with just 33 designated as affordable “social homes.” This is just 3 percent of properties across the whole development. Southwark Council has a nominal target that new developments should have 35 percent “affordable housing,” 50 percent of which must be “social housing.”

Small traders currently operating in the Elephant and Castle shopping centre will be forced to leave under the proposals, which includes very few “affordable” retail units.

The entire development is to be managed offshore by Delancey, who are projected to profit to the tune of £154 million. Delancey Real Estate Asset Management Limited has enormous property investments in London. In alliance with the Qatari ruling dictatorship, in 2011 it purchased the Olympic Village and 1,400 apartments used for the London 2012 Olympic Games—renaming it East Village. They paid a rock-bottom fee of just £557 million, from which they are expected to make £1 billion profit.

Many students live and study in the area, which includes the London College of Communication (LCC) campus of the UAL. On Monday evening, students from UAL occupied part of the campus, located opposite the shopping centre. A number attended the protest Tuesday, which began outside the LCC and marched to the council offices. Some carried homemade banners with slogans including, “No more luxury flats” and “Social Housing, NOT Social Cleansing” and “Yes to Social Housing.”

A statement, “Yes To Social Housing, No To The Elephant Development,” read, “This community is under threat from the proposed Delancey development of hundreds of new luxury apartments with only 3% ‘fake’ social housing (by the company’s own, flawed definition) and 10% affordable retail units.”

When the demonstration arrived at Southwark Council, the council announced there would be a limited ticketing system for observing proceedings, with the meeting held in a small room. After an hour, protesters forced open one of the locked doors fronting the main Tooley Street entrance and were able to gain entry to the main foyer of the building. They were prevented from going any further by security guards.

The council has a track record of social cleansing. It is already working with Lendlease in carrying out a massive gentrification and social cleansing operation—the £2 billion Elephant & Castle and International Quarter project—locally named Elephant Park.

Out of 3,000 people housed in 1,276 units on the working class Heygate Estate, only three could afford to come back to the area after it was demolished in 2014. Those evicted received just 40 percent of the value of their homes. The council sold the land for Elephant Park to Lendlease for just £50 million. It is estimated that Lendlease will return a profit of £200 million from the Heygate gentrification.

Last year it was revealed that Lendlease was able to make profits of over £70 million through the sale of every single flat in its 37-storey “One the Elephant” tower block development. Each of the 282 properties was sold before the building was even completed in 2016, bringing in approximately £185 million in revenue.

Lendlease was able to profit handsomely from this development, which did not contain any provision for

“affordable” or “social housing.” Instead, Lendlease simply paid the council £4.6 million under Section 106 legislation—a loophole exploited by developers to exclude any social housing provision in private developments. The land that One the Elephant was built on was bought on the cheap, with Lendlease paying the council just £6.6 million for it.

An additional sum of £12.24 million was given by Lendlease to the council as an “overage payment,” based on the massive profits they stood to make from the sale of the apartments. This is loose change for Lendlease, a global conglomerate that boasted revenues of over \$12 billion in 2016 and profits of \$558 million.

Commenting on One the Elephant, leader of Southwark Council Peter John said, “The council is more than happy with the arrangement we made with LendLease regarding the profit share and we are confident that the outcome, which not only covered the costs of our new leisure centre, but provided additional funds to help us build new council homes in the Elephant and Castle area, shows how successful these agreements can be in creating benefits for the local community.”

These are lies.

None of this is aimed at “creating benefits for the local community,” as the council’s latest plans make clear. Labour controls virtually every urban borough in the capital and its councils are carrying out similar social cleansing operations.

In December, Labour-run Haringey Council was able to continue its social cleansing programme—in which £2 billion of local assets will be privatised and seven council estates demolished—because councillors from the Jeremy Corbyn-supporting Momentum group stayed away from a critical meeting that voted the plans through.



To contact the WSWS and the
Socialist Equality Party visit:

wsws.org/contact