

London Labour councils in league with property developers

Julie Hyland**9 February 2018**

Popular hostility to the mass privatisation of social assets by Haringey council, London, has thrown the spotlight on the role of the Labour Party in driving through a social counterrevolution against the working class.

According to the *Independent*, so-called estate regeneration—more properly gentrification and social cleansing—"against the wishes of tenants is a pattern that has played out across 195 estates in Labour-held councils in London."

In Haringey, north London, the Labour-run council planned the largest transfer of local authority assets to a private developer, Lendlease, through a 50:50 partnership: the Haringey Development Vehicle (HDV).

Haringey Labour leader Claire Kober has presented the privatisation project as an act of altruism, a "pragmatic" response to the housing crisis in London. HDV in fact epitomises the transformation of the Labour Party into a political adjunct of big business and the corporate elite.

Kober has a vested interest in concealing what is a revolving door between Labour and the property developers. This is especially the case in London, where land and property prices are among the most expensive in the world.

Details are sparse, but in the case of Haringey it is known that Kober and her heads of housing were wined and dined on 13 occasions by Terrapin Communications, a lobbying group that includes Lendlease amongst its clients. A spokesman for the council, when asked if the HDV had been discussed at these lunches, responded, "It is impossible to account for all of the conversations that took place at these events which involved a large number of people who are not from Haringey including London borough

leaders and GLA [Greater London Authority] representatives."

Lendlease is notorious for its public-private partnership (PPP) with Labour-controlled Southwark Council, which saw 1,200 social homes on the Heygate estate demolished to make way for luxury apartments. Just 82 "social homes" were built. It is now involved in the bitterly contested £2 billion Elephant and Castle and International Quarter project (Elephant Park).

Lendlease has made millions on its 37-storey "One the Elephant" tower block development, which does not include any provision for "affordable" or "social housing." Having paid the council just £6.6 million for the land, it paid another £4.6 million under Section 106 legislation—a loophole exploited by developers to exclude any social housing provision in private developments.

A report by journalist Anna Minton in 2013 established that Southwark Council officers who were involved in these gentrification plans subsequently moved over to directly working for the developers. Minton reported that "20 percent of Southwark's 63 councillors work as lobbyists" for developers.

Many of these are Labour councillors. Former Southwark Council leader Jeremy Fraser formed the Four Communications development consultancy, along with Lambeth Labour Council leader Jim Dickson, to offer developers "political support in the face of public opposition" to their plans.

According to Minton, "It counts amongst its employees, Florence Eshalomi, Lambeth's former deputy Cabinet member for Housing and current GLA assembly member for Lambeth and Southwark. Also on the payroll are Hackney Councillors Alan Laing and Karen Alcock—deputy mayor with responsibility for housing and commercial property."

Laing subsequently stood down as a Labour councillor. So too has Mark Glover, who for 12 years until 2014 was a senior Labour councillor in the borough, where he chaired the Regeneration Scrutiny Committee and was Chair of Southwark Labour Group.

Before doing so, he founded Bellenden Communications (now Newington) to support planning applications, which is now part of the SEP Group, “a *global partnership* of entrepreneurs, whose agencies are specialised in advocacy, public relations and communications strategies.”

Minton also cited Helen Hayes, former Southwark councillor, now Labour MP, and a senior partner at the planning/architectural firm Allies & Morrison—part of the Lendlease consortium heading the Elephant and Castle project.

Current Labour Council leader Peter John is a property lawyer. Having signed the Elephant and Castle deal, he has been attacked for his closeness to property developers, including Lendlease. John said that the council “is more than happy with the arrangement” agreed with Lendlease.

Southwark is now involved with the property developers Delancey, which plans to demolish the Elephant and Castle shopping mall, and part of the local student campus to build 979 mainly luxury apartments, with just 33 designated as affordable “social homes.”

Entrepreneur Abdul Shukur Khalisadar is under police investigation after he was alleged by the *Sunday Times* to have told consultants for the property developers Far East Consortium that he needed £2 million to pay Labour politicians in Tower Hamlets to agree to its £500 million development in the Isle of Dogs.

Labour run-Lewisham Council commissioned the £2 billion “New Bermondsey” gentrification scheme in 2011. Planning permission was granted to Renewal, a developer owned and administered behind a veil of secrecy in the British Virgin Islands and the Isle of Man and founded by two former Labour council officers, former mayor David Sullivan and ex-councillor Mushtaq Malik.

Sullivan was replaced as mayor by Steve Bullock, knighted by Tony Blair in 2007. Bullock is the director of Surrey Canal Sports Foundation (SCSF), which was set up by Renewal to manage the area’s “transition” to

a sporting village. He is also London Council’s Executive lead for Housing and vice-chair of Homes for London.

In 2016, Lewisham Council granted a Compulsory Purchase Order (CPO) to evict Millwall Football Club and tenants in the area, claiming there was “a compelling case” in the public interest for the compulsory acquisition of the land. It had also granted SCSF £500,000 in public money.

The CPO caused a popular backlash, forcing the council to back down. A bogus “independent” inquiry into the land grab, commissioned by the council, ruled that there had been “no impropriety, lack of due diligence or breach of a code of practice on the part of any Council officer or member,” effectively clearing the way to further CPOs.



To contact the WSWS and the Socialist Equality Party visit:

wsws.org/contact