

Fate of London Stadium epitomises toxic “Olympic Legacy”

Part two

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This is the concluding part of a two-part article. Part one was posted April 30.

Following the awarding of the tenancy of the Olympic Stadium to West Ham, the joint body E20 was founded, two-thirds owned by the LLDC and one-third by Newham Council. It was set up to administer the redevelopment of the stadium and the financial arrangements between the Council and the club.

Last September, Newham finally withdrew from E20 after acknowledging that their £40 million loan, taxpayer funded, was “currently ‘impaired,’ or damaged, due to the current financial performance of the stadium.”

In November 2016, Boris Johnson’s successor as mayor of London, Labour’s Sadiq Khan, commissioned a report by accountants Moore Stephens into the stadium’s finances. Finally published shortly before Christmas last year, the report was damning, of Johnson in particular.

It found that the new bidding process, instituted in 2011, had removed the burden of risk and operating costs from the winner, transferring all financial responsibility to the public sector. This was estimated to have cost around £300 million of public money, and to have ensured annual operating losses of around £20 million.

The report noted that these included an annual shortfall of £2.25 million for hosting West Ham. The cost of staging football (£4.75 million) is almost double the club’s rent. It did not criticise the club for seeking a good deal, but admitted the deal was “not good” for the public. When the report was published the club insisted, “As the report confirms, the Concession Agreement is a watertight, legally binding contract signed in 2013 in good faith by West Ham United, who remain absolutely committed to its terms for the entire 99-year duration.”

When Newham Council withdrew, Khan took E20 under the LLDC’s sole control, with the aim of slowing its losses.

The transfer of unexamined costs solely to the public purse is a hallmark of Johnson’s tenure. It has been estimated that mayoral projects he inaugurated that failed to realise expected income have cost the taxpayers nearly £1 billion.

Khan has been less vocal about the role of previous Labour administrations locally and nationally in the catastrophic decision-making that led to the Stadium debacle.

The role of Newham Council is particularly noteworthy. Under Sir Robin Wales’s leadership, the Labour authority has pioneered social cleansing policies, including seeking to disperse homeless families to social housing in other parts of the country. Homelessness in the borough currently stands at a national high of one in 25, while the

council has fought doggedly to prevent 400 empty council properties on the Carpenter’s Estate in Stratford being used for accommodation.

Wales has been explicit on his programme: “There are too many people ... who survive on low incomes or who present themselves as homeless. Whilst we offer support and carry out our legislative duties, our aim will be to increase Newham’s property values.”

In 2012, the council announced that it would be prioritising people in employment and members of the armed forces on its social housing lists. Wales told 29 mothers from the Focus E15 hostel who had gone to meet him after cuts to a mother and baby unit, “If you can’t afford to live in Newham then you can’t afford to live in Newham.”

The orientation towards property developers has seen increasing clashes with Newham residents. Property developer Galliard’s original proposal for the Boleyn Development contained just 6 percent “affordable” properties, which caused such outrage that even the council had to object. An offer of 25 percent “affordable” properties was sufficient sop to the council.

Wales, council leader since 1995 and elected mayor since 2002, was an increasingly divisive figure. Wales was knighted in 2000 by the Blair Government for his “services to local Government.”

In 2016, he won a vote of party members and affiliates to reselect him automatically as candidate for the 2018 mayoral election, rather than putting the candidacy to open selection process. There was controversy over the vote, as it was claimed that the rules had been applied differently to different organisations: some trade unions with multiple branches had multiple votes, while others had only one. The initial vote to allow other candidates to stand against Wales had been reversed by allowing votes from affiliates. In one case it was reported that one affiliate (with a vote equivalent to that representing all the members of one ward) was a trade union with one member, a paid adviser to Wales.

Threatened with court action the council re-ran the ballot, agreeing eventually to allow other candidates to stand against Wales.

This year he was deselected as Labour’s mayoral candidate, losing to councillor Rokhsana Fiaz by 861 votes to 503. Fiaz, a supporter of Labour leader Jeremy Corbyn, has been a vocal critic of some aspects of Wales’s programme, including the question of social housing.

The move from Upton Park was controversial for West Ham’s fans. Brady described it as an “opportunity to change brand values” and the board made many comments about the superior quality of the new stadium, which many fans still feel is not suitable for football. As one fan told the *Guardian*, “This was supposed to be the land of milk and honey, but it’s hardly turned out that way.”

After recent public protests, many media commentators have supported the fans' criticisms of the stadium, calling for either a complete refit or its rebuilding. Despite the huge cost of retractable seating to accommodate both football and athletics, fans are still too far from the pitch and they feel that pledges to invest in the team have not been met. There remain disputes about ticket prices, as well as other aspects of matchday administration.

These tensions, which have not diminished since the move, have been exacerbated by poor results. Much of the fans' anger has been directed at the club's board, and there have been increasing demands for the removal of Gold, Sullivan and Brady. A banner at a recent match read, "\$old a dream given a nightmare." As the West Ham United Independent Supporters Association (WHUISA) noted bitterly, "We were promised a world-class team in a world-class stadium."

A proposal to hold a protest march to the stadium ahead of a recent home game against Burnley was widely discussed, with thousands of fans set to participate. The board were concerned enough to arrange a meeting with representatives from 15 fan groups on February 19.

Groups included WHUISA, which is recognised by the national Football Supporters Federation (FSF), and the Real West Ham Fans Group (RWHFG), then known as the Real West Ham Fans Action Group.

Gold and Sullivan were not present, but Brady was.

Afterwards Brady sent an open letter to the groups thanking them for the "highly constructive" meeting. Her letter also revealed that Sullivan had held a three-and-a-half-hour meeting with "the lead representatives coordinating these groups" a week earlier. This surprised WHUISA, who had not known about the earlier meeting. WHUISA say that no minutes have been made available from that meeting, which appears to have been with RWHFG alone.

RWHFG was set up by Andy Swallow and Micky Morgan, who were both members of the Inter City Firm (ICF), the hooligan outfit associated with the club from 1976. Swallow recently told one fans website "I've never left" the ICF. It has been widely claimed that Swallow wants to cultivate the RWHFG as an equivalent of Lazio's right-wing Ultras group. He was involved in last year's Islamophobic "anti-terrorism" march by the Football Lads Alliance.

RWHFG were the first to moot a protest march, back in December, but the club only met with them when the date was announced.

Sullivan has long been fascinated by gangsters. He boasted to the *Daily Mirror* of a long correspondence with 1960s gang leader, Reggie Kray, after using Kray's surname—without his permission—to encourage prompt payment by mail order clients of his porn company.

Sullivan was the main backer of a film about the gangsters, *The Rise of the Krays*. In 2013, he lent £1 million to East London crime boss David Hunt for a failed libel action against the *Sunday Times*. During that trial the judge described Hunt as being involved in extreme violence, fraud and money laundering, and owning a brothel. The Metropolitan Police were said at the trial to have considered Hunt too dangerous to tackle for a long time.

When the protest march was organised, Swallow claims he went to Sullivan's home to discuss it. Reportedly, Sullivan asked him what it would take to call it off. Swallow said it needed a meeting with the board and the February 19 meeting was arranged. The march was still planned at that point.

Brady then called another meeting on February 28. WHUISA say they only found out about it on the day, but were able to attend, along with RWHFG. Brady cautioned that the march would cause "damage to team" and, much more importantly, "damage to sponsors."

Many felt the club's response to the chaos and to the criticism was inadequate and still wanted to protest, but the day after this meeting RWHFG unilaterally called off the march.

Given this confusion and continued anger and, as WHUISA's head, Mark Walker, was elected and mandated by 1,500 members (membership has now passed 3,000), WHUISA stepped into the breach. At this point it emerged that RWHFG had apparently not made any actual plans for the march.

When Walker told Newham that he would take over the existing arrangements the Council told him, "There is no existing plan to speak of." It has been suggested that RWHFG might not have intended to march at all, but simply to use the threat as leverage for influence.

The politics of the group Sullivan had met also quickly emerged. Walker's support for Khan (described by one RWHFG supporter as a "terrorist sympathiser") and the Labour Party triggered a violent right-wing response. Those proposing to march were warned that the ICF would intervene: Swallow posted on Facebook the blunt statement "ICF ain't having it you will not march to our ground."

The ICF and RWHFG supporters threatened protesters and WHUISA specifically on political grounds. "All your left wing f***s you ain't passing through our manor. The ICF won't allow it don't cross us" [sic] is representative.

Walker also received anonymous threatening texts. He has said he plans to stay away from games for the foreseeable future, as some of the messages "made me fearful for my safety." He was critical of the failure by the club, and Brady particularly, to speak out in his defence.

All of this funded from the public purse: This is the "Olympic legacy" in all its glory.

Concluded



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Socialist Equality Party visit:

wsws.org/contact