

UK: Haringey Development Vehicle scheme scrapped, but social cleansing threat remains

Paul Bond
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Haringey's Labour council has voted to terminate the hugely unpopular Haringey Development Vehicle (HDV), claiming this marks a "new direction" in its housing policy. The project has already cost the north London borough's council £2.45 million, as well as around £250,000 in fighting a judicial review brought by opponents of the scheme.

Its decision to pull out will incur a further £520,275 in costs paid by the council to its partner—global private developer Lendlease. Lendlease said it may take legal action due to potential "loss of profits".

HDV was instigated by the former dominant Blairite group around then-leader Claire Kober for the redevelopment of Northumberland Park council estate. It involved the transfer of an unprecedented £2 billion worth of social assets to HDV, which was a 50-50 council partnership with Lendlease.

The proposed redevelopment scheme would have seen the demolition of 1,400 council houses on seven estates and their replacement by luxury developments and supposedly "affordable" properties. These would be well beyond the reach of most working class residents, while the scheme would have made vast profits for the corporations involved.

There was a furious response by local residents, and many HDV-supporting councillors were deselected by their party branches. Although they were ineligible to run for Labour in May's elections, these council members pushed through HDV at their last full meeting.

A particularly pernicious role in this was played by their "left" opponents in Momentum. Having been selected as candidates for their stated opposition to HDV, they absented themselves from this meeting so as not to conflict with the Blairites. HDV was carried by two votes.

Kober soon announced that she was quitting because of "threats, bullying, sexism and intimidation" that she claimed to have received from Momentum group supporters. Shortly afterwards, Kober announced her lucrative appointment as director of housing at the housing management group Pinnacle.

Labour went into May's local elections on a manifesto stating, "We do not believe that the HDV provides the answer and we do not intend to progress with it."

This was hardly a ringing opposition, with new council leader Joseph Ejiofor telling local press after the election that "Whilst

we might be predisposed to making a decision, that decision has not been predetermined." Local opponents of HDV noted Ejiofor's previous lack of consistency on this question, saying his election as leader "doesn't bode well for the end of social cleansing in Haringey."

Ejiofor was elected leader by Labour councillors, although the membership of the Constituency Labour Party supported councillor Zena Brabazon, in part because of her more consistent opposition to HDV. Brabazon and the cabinet member responsible for housing, Emina Ibrahim, who was also a vocal opponent of HDV, are both associated with Momentum.

But so is Ejiofor, and he spelled out Momentum's real position ahead of the election: "The reality is that Momentum is now part of the Labour party...there is no such thing as a [sic] Momentum councillors or candidates on Haringey Council, only Labour councillors." Since Kober's departure, the press may have called it a "Momentum council," but Momentum themselves are Labour loyalists.

Despite routing the Blairites with a mandate to stop HDV, it took months for the council to agree to scrap it. Momentum's loyalism echoes Labour leader Jeremy Corbyn's determination to maintain unity with the Labour right.

Despite rejecting HDV, Haringey's Momentum-led council has not come up with any proposals to end the threat of social cleansing. The council had 17 estates at risk of demolition, and Ejiofor has refused to remove any of them from the list. A delegation from the local Broadwater Farm estate attended the council meeting that terminated HDV. They angrily demanded information on the proposed evacuation of the Tangmere and Northolt block on Broadwater Farm, asking for details of the funding being proposed in Haringey's plans.

In the aftermath of last year's Grenfell Tower fire, which killed 72 people, the council conducted safety checks on the 12 tower blocks of the Broadwater Farm estate. Eleven of the buildings failed safety tests. Strengthening work is being conducted at nine of the blocks, but residents of Tangmere and Northolt blocks have been told their buildings must be demolished.

Jacob Secker, of the Broadwater Farm Residents Association, said the council "haven't even identified the funding for two blocks, never mind the whole estate. You cannot consult unless

you have two properly costed options. Then let the residents decide.”

This would be consistent with the policy announced by Labour’s London Mayor Sadiq Khan that city hall money will only be available for social housing redevelopment plans if it has been approved by residents in a ballot. Khan’s plans will not apply retrospectively, meaning controversial social cleansing projects already underway can proceed unhindered. Khan has left considerable leeway with the balloting, as responsibility for deciding whether it applies is left up to the developers, who then also have various exemption clauses available to them.

Haringey council has announced its intention to establish “a wholly-owned company for the purpose of delivering new council-owned homes.” At present, 14 London boroughs have direct delivery programmes, where public land is developed by in-house teams, but Haringey looks likely to join the 17 London boroughs with “active wholly-owned development companies—i.e., separate commercial companies owned by councils,” as the Centre for London think tank explains. Centre for London notes that joint ventures have, as in Haringey, sometimes been controversial, but insists “that does not mean they should be written off.”

Indeed, Ejiófor’s council has been concerned to rehabilitate the notion of commercial responsibility for construction, without the stigma of joint venture. In a telling comment, the council expressed its opposition to the transfer of public assets “at the scale envisaged.”

This has not gone unnoticed by protesters. Haringey Defend Council Housing (DCH) has reported on the proposals for the wholly owned company to develop or redevelop housing sites beginning with Cranwood, a development at Brunel Walk, and the Civic Centre. The proposals would see the company building council housing “alongside affordable and market [i.e., unaffordable] homes,” and “this for-profit company should be the landlord of the ‘council homes’.”

DCH noted that the establishment of wholly owned companies for ownership and management of council properties was introduced by the Cameron/Osborne Conservative government “to repurpose local government, so that councils could be owning a range of businesses.”

That the transfer of public assets to a private corporation for profit can even be presented as legitimate form of “social investment,” is entirely down to the so-called “left” around Corbyn, which uses the same language. The same council briefing document that described HDV as a “social investment programme” also contained a section on “Reputational and Political Risks and Implications” setting out the balance Labour is trying to strike:

“Views on the HDV will vary and while many people will be happy that work on the project has been discontinued, there will be some who will either be disappointed with the decision to stop the HDV, confused about the direction of the Council or

sceptical about the Council’s commitment to delivery.

“Most importantly, this applies to the residents and businesses who are affected but might also apply to potential investors, government agencies or the media.”

As important as not alienating residents, therefore, is not alienating future investors. Everything about Haringey’s move away from HDV under Momentum points to anxieties among the group about the scale of what was being proposed rather than any opposition in principle. The *Evening Standard* editorialised that Haringey had “made an undeliverable promise to build new houses with public money on public land...which is meaningless since the council has no idea how to fund this.”

The *Standard* is edited by George Osborne, who as chancellor of the exchequer was architect of wholly owned council management companies Haringey is now contemplating as an alternative.

All of this strengthens Lendlease’s hand. Dan Labbad, chief executive of Lendlease Europe, who led a deputation to the council meeting, said the company was “extremely disappointed.” Repeatedly heckled at the meeting with cries of “We don’t want you,” Labbad urged the council to defer its decision and deploy the “flexible framework” of HDV.

Having already legitimised the notion that private partnership is a socially beneficial move, the council gave Labbad the opportunity to sound concerned for the “10,000 [Haringey] families...in desperate need of a home” who “will suffer most.”

Labbad’s rhetoric is entirely premised on commercial considerations. In his words, “There is a great fit between our capacity and your needs.” Ahead of the meeting, Labbad wrote to the council that the company would have “no choice but to seek to protect Lendlease’s interests” should Haringey “reverse” its appointment. Writing that the council should avoid any step that “infringes or damages Lendlease’s rights,” Labbad said menacingly, “You will presumably have taken legal advice about the full range of remedies that would be open to Lendlease if we were prevented from proceeding.”

The council was at pains to tell Lendlease that ending the HDV had nothing to do with “the quality of their work nor of their desirability as a partner.”



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