

Defend Council Housing



Oct/Nov 2006 25p

REASONS TO REJECT PRIVATISATION

- 1 Higher rents and service charges**
- 2 Tenants' security under threat**
- 3 No accountability**
- 4 Big profits and fat cat salaries**

Stock transfer, PFI and ALMOs threaten our security, push up rents and charges, and weaken our say over our accountable landlord.

- Stock transfer means your homes go to the private sector in one step. You lose your 'secure' tenancy, rents and charges rise and your home is run like a business, with banks

and highly-paid executives in the driving seat (see centre pages).

- ALMOs were introduced in areas where tenants and councillors will not accept transfer. But don't be fooled – Arms Length Management Organisations are a two-stage strategy to privatise council housing. If they

have extra money for ALMOs why not for councils direct – unless privatisation is their real agenda?

- PFI means a multinational private consortium running your estate for 30 years! PFI in schools and hospitals has been a disaster. Profits come first, with massive

delays, spiralling costs and standards of work and specifications cut.

- Organise a campaign against transfer, ALMO or PFI in your area. Demand a formal ballot and insist the council organise a fair and balanced debate so tenants hear both sides of the argument.

Vote No to privatisation Demand direct investment

TENANTS, TRADE UNIONISTS and councillors, in 74 local authority areas across the UK are getting organised to oppose a new round of stock transfer, PFI or ALMO (arms length management organisation) ballots. We want to join the 123 authorities that have already rejected privatisation and decided to keep their homes.

We're fighting for government to provide the 'Fourth Option' and enable councils to carry out the improvements tenants need. We're demanding work on our homes and estates without the risk of having a private company taking over.

Ministers are feeling the pressure. Ruth Kelly, Minister for Department for Communities and Local Government (DCLG), produced a Discussion Paper in June. She announced a pilot to look at new housing finance arrangements that would allow councils to



Tenants, trade unionists, councillors and Sian James MP (centre) campaigning for a NO Vote in Swansea

do more improvements themselves.

The Labour Party conference has voted again for the 'Fourth Option'. More MPs are calling on Ministers to include the 'Fourth Option' in next year's Treasury Comprehensive Spending Review and honour the Labour election

manifesto commitment: "By 2010 we will ensure that all social tenants benefit from a decent, warm home with modern facilities".

It all gives the lie to senior council officers and consultants who always tell tenants that there is no alternative and government policy is set in

stone. That clearly is not the case.

We've got all the arguments on our side. Ministers recognise that their policy is deeply unpopular and unsustainable. Their only hope is that bullying, blackmail and millions of pounds' worth of propaganda will get us out of the way. But this year even more tenants are voting NO.

Make sure there's an effective campaign in your area opposing stock transfer, PFI or ALMOs and demand direct investment. If your council has retained its homes or has an ALMO then insist they back the campaign for the 'Fourth Option' to secure your future too (see bottom page 2).

Decent, affordable, secure and accountable council housing is worth fighting for – for existing tenants and future generations. Together tenants, trade unions, councillors and MPs are a powerful alliance – and we are determined to win!

“If you've got a ballot coming up, fight like hell to persuade people to vote NO – the more people who reject it the better chance we have of turning over this stupid policy.” **Frank Dobson MP**



“We do not want to see tenants put under pressure to accept the unacceptable because councils are starved of funds. The T&G will continue to work for a fair deal for tenants and residents. They should have a genuine choice, including the right to remain with their council if that is what they so wish. Councils should then have the necessary resources to renovate their housing stock.”

Jack Dromey, T&G Deputy General Secretary



Labour conference backs direct investment third year in row



by **Austin Mitchell MP, chair, House of Commons Council Housing group**

THE LABOUR PARTY conference's vote for the third consecutive year running for a 'level playing field' and the "Fourth Option" of direct investment for council housing as a matter of urgency" is an important development in our campaign.

It's a clear sign that the pressure for a change in government policy in order to bring investment to existing council homes and estates and

enable democratically elected councils to build a new generation of first class council homes is biting.

The 2:1 vote is a clear answer to those who have repeated the stale mantra that government policy is set in stone and there will be no 'Fourth Option'. Ruth Kelly, Minister at the new Department for Local Government and Communities (DCLG) was obliged to assure delegates

"We are listening" and added: "We have got to build more homes – more council homes as well as social housing". She promised the sub-group would address "the full range of options for the future".

The National Executive Committee was obliged at the last minute to rush in its own statement to conference in a vain attempt to see off this third embarrassing defeat on the issue. It didn't work but the

NEC statement now pledges that the sub-group set up by the National Policy Forum would be addressing the issues:

"We recognise the decisions conference has taken on the issue of social housing in 2004 and 2005... We believe that bringing all social housing up to decent standards is central to Labour's Sustainable Communities agenda... In particular the group is exploring ways of creating a level playing

field in the funding for social housing, between those with ALMOs or Housing Associations, and those without...we await its conclusions early next year".

This is a postponement of earlier hopes that it would report before this conference but not one that's too late for the next spending review.

The re-affirmation of the manifesto commitment on

continued on page 3 >>>>>



I believe all council tenants have the right to remain with their local authority if they wish. It is also essential that freedom of choice is not artificially distorted by a financial regime that penalises tenants who want to stay with their local authority. We must campaign for a level playing field." **Clive Betts MP**



UNISON has campaigned hard for direct investment in council housing. That is the key to guarantee real choice for council tenants and local authorities over the future of the homes they live in and manage. All tenants deserve decent homes and decent communities, but they also need real investment choices. Many councils have held out against transfer, despite the limited investment options of stock transfer, ALMO or PFI. And many tenants have voted in ballots to remain with their council. Three successive Labour Party conferences have overwhelmingly supported a council's right to invest in housing. A level playing field for direct investment is long overdue and should be introduced without delay." **Dave Prentis, UNISON general secretary**



Stop robbing council housing

'Fourth Option' affordable

Most tenants believe that all the income from our rents and money made from the sale of council homes is re-invested. But it isn't.

Each year government only allows councils to use part of this income – the rest is siphoned off. This year government is withholding £1.55 billion from our rents. They have also been making an annual profit of more than half a billion pounds from 'right to buy' sales.

Stock transfer, ALMOs and PFI are a much more expensive way of improving our homes. Savings on costly setup fees, consultants and glossy PR campaigns to bully tenants could all be spent on our homes and estates.

Ending transfers would save government the cost of writing off council debts to make the sale attractive. There would also be a saving on Housing Benefit bills. Higher housing

association rents cost the Treasury more. All this money could be used to fund an 'investment allowance' to allow councils to improve our homes – which is what tenants want.

In 2002 the Office of the Deputy Prime Minister floated the idea of such an 'investment allowance'.

Now is the time for Ministers to look again at this proposal and give tenants a real choice by providing the 'Fourth Option'.

How 'Fourth Option' formula could work

In discussions leading up to the 2004 Labour Party conference deputy Prime Minister, John Prescott, accepted in principle the argument that 'good' performing councils should be able to access the extra money available to ALMOs – without setting up a private company. Treasury officials endorsed the proposal so long as extra public money was clearly linked to 'good' performance. This would provide a solution to two and three star councils.

DCH and the Council Housing group of MPs have suggested that the ODPM set up a 'Continual Improvement Task Force' to help authorities with less than two stars improve their performance.

Councils with a good record on particular aspects of housing management and finance could second experienced officers to work with other authorities to help them improve. This strategy would raise standards enabling more authorities to achieve two

stars and so access extra investment by meeting the Treasury's performance criteria.

The additional money could be provided by ring fencing all the income from rents and capital receipts and from big savings on expensive consultants and setup costs associated with privatisation.

Now the Labour Housing Group has issued its own proposal for a "Retained Management Option" based on these ring-fencing principles.

'Government more isolated'

Audit Commission calls for change

The Audit Commission report ('Financing Council Housing', July 2005) added to the pressure on government to change the rules on housing finance. It recommends that "The government should review the council housing subsidy system" and argues clearly that the current system of negative subsidy does not make sense and is not equitable.

The report described existing housing finance rules as 'perverse'. As well as calling for a 'review' it addressed the issue of the small number of authorities with high levels of debt from building council homes. It recommended "giving a specific focus on solutions for those authorities that currently rely heavily on the system."

Housing Quality Network confirms robbery

Housing Quality Network, one of the ODPM's key partners, has confirmed that government is siphoning off money from tenants rents.

HQN's 'Guide to Housing Finance – the Key Facts' identifies that on the revenue side government is taking money out of council housing. "Nationally for 2006/07 taking management and maintenance allowances, the supported capital expenditure requirement and the major repairs allowance less guideline rents there is a £400 million surplus, i.e. resources taken out of housing. If other items of expenditure are included, such as

revenue support to the ALMO funding, PFI support debt premiums, other reckonable expenditure and debt management then the system appears to be in surplus by £93m – a tax on tenants!"

This is on top of the profits that government is making from 'right to buy' and other capital receipts

ODPM Select Committee says government 'dogmatic'

The influential ODPM Select Committee of senior backbench MPs produced a critical report on the government's privatisation drive to meet its Decent Homes target. MPs concluded "The Government is in effect using the Decent Homes target as an indirect means to level local authority housing stock out of direct local authority control, or even ownership..." "The Committee recommends that the Government revisit its dogmatic pursuit of the separation of stock management and strategic management of housing. A flexible policy and a level playing field is needed so that tenants and Councillors can tailor solutions to suit local circumstances."

"The Committee recommends that Local Authorities be granted wider rights to borrow prudentially against rental income streams for the purpose of improvements to their stock and to help create sustainable communities. We recommend that the Government reconsider adopting the principle of investment allowances to Local Authorities."

Lobby your MPs

147 MPs have signed Early Day Motion 'Future of Council Housing', No. 48 in Parliament. Contact your MPs and request a meeting. Ask them to sign the EDM and join the Council Housing group of MPs.

Six reasons 255 areas will benefit from 'Fourth Option'

1 Tenants, trade unionists and councillors in 255 local authorities have a direct interest in winning the 'Fourth Option'. It would provide a secure future for nearly three million households as an alternative to privatisation.

123 authorities across the UK have opted for 'stock retention'. Whilst they say they can meet the minimum Decent Homes standard many will struggle unless additional resources are secured. Most need additional investment to carry out improvements beyond the Decent Homes standard and to maintain council homes and estates after 2010.

54 authorities have gone ALMO. At the end of the five year contract they face a choice: privatisation or reverting back to the council (see page 6).

2 Government should respect the democratic right of tenants to choose to remain with the council and get improvements to our homes and estates. Tenants in 74 authorities where councils are either pushing transfer, PFI or ALMOs – or have yet to propose an option – deserve a real choice.

3 Investing in council housing makes sense for the 1.5 million households on council waiting lists, including 100,000 households in temporary accommodation, and many others facing chronic overcrowding. Research by Shelter undermines the government's drive on home ownership. Ownership comes third in the priorities of those in housing need – after affordability and living in a safe neighbourhood.

4 We need to defend local democracy and demand that elected local councils be allowed to get on with the job of providing an essential public service – decent, affordable, secure and accountable council housing.

5 Support existing council workers – and the retention of decent local authority jobs across the country – instead of TUPE transfer to private companies.

6 Council housing is cheaper to build, manage and maintain than the alternatives. Housing has a huge effect on education and health. Investing in council housing would be the most cost-effective way to end the present housing crisis.

Reinvest money in council housing

- "Public spending on bricks and mortar subsidy for council housing [fell] from £5.6 billion in 1980/81 to just £0.2 billion in 2002/03... Over the same period of time total expenditure on housing benefit rose from £2.7 billion in 1980/81 to £8.6 billion in 2002/03" (UK Housing Review 2005/2006).

- Landlords and lenders jack up rents to make bigger profits. Diverting money away from council housing isn't what tenants want and doesn't make economic sense.

- Stock transfer has seen council homes almost given away to new landlords. However the income received still adds up and has produced £5.86 billion 'Total Transfer Price' which should be reinvested (UK Housing Review 2005/2006).

- "Receipts from the Right-to-Buy sales of council housing that have yielded around £45 billion – only a quarter has been recycled into improving public housing" (Joseph Rowntree Foundation 01/12/05).

- £13 billion was taken out of council housing between 1990 and 2003 through the 'Daylight Robbery Tax'. That's almost 2/3rds of what was then needed to bring all council homes up to the Decent Homes standard.

- Government continues to withhold money from tenants' rents: £1.55

billion for 2005/6. This is more than enough to fund an 'investment allowance'.

- Council rents are set to rise via 'rent convergence' but Ministers say "There are no plans to ring-fence rental income within the national housing revenue account" (Housing Minister, Yvette Cooper, PQ answer 25/01/06)

- Government is taking money that could be spent on council housing to offer subsidies to private developers to build so-called 'affordable housing' – priced out of reach of most people.

- Stock transfer fails to meet the Treasury's performance requirement for Decent Homes "with most of the improvements taking place in the most deprived local authority areas". Investment isn't targeted effectively at the homes that need it most urgently.

- Making debt write off conditional on stock transfer is just blackmail. "Writing off debt owed by local authorities to central government has no effect on the financial position of the public sector as a whole, or on any of the fiscal aggregates." (PQ answer, 19/01/06)

'Moonlight Robbery set to get worse'

The government should stop the practice of siphoning money from tenants rents ('Moonlight Robbery') and use it to increase Management and Maintenance Allowances for council dwellings.

On the governments own admission, based on research it commissioned from the Building Research Establishment, Management and Maintenance is currently funded at only 60% the level of need.

The draft subsidy determination for 2006/7 increases the Moonlight Robbery of council tenants. On average the government plans to claw back £675 for each tenant. This has increased by £105 on the previous year.

2006/7 DRAFT SUBSIDY DETERMINATION

Governments average assumed rental income.....	£2,912 per property per year
Amount allowed for management and maintenance	£1,601
Amount allowed for major repairs (Major Repairs Allowance)	£636
TOTAL ALLOWANCES	£2,237
GAP between assumed rents and allowances = "MOONLIGHT ROBBERY".....	£675



We believe in tenants' choice – and we support the choice of those who wish to remain with the council, and get direct investment into their housing. More and more we are seeing that tenants throughout Britain are choosing to remain with the council. We in Camden rejected stock transfer many years ago, we've recently rejected the ALMO with an overwhelming response. We insist on direct investment into council housing.”

Brian Pordage, vice chair TAROE



The vote at Labour Conference for a fourth option for council house funding – for the third consecutive year – cannot be ignored again. We expect our Labour government to implement the party's policy and ensure a level playing field for council house investment in the 2007 Comprehensive Spending Review. Apart from our moral and social obligation, there is also a political and electoral imperative to invest in decent, affordable, secure and accountable public housing – not continue paying the private sector to buy council housing on the cheap.”

Derek Simpson, Amicus general secretary

2006: Tenants voted NO in Selby, Cannock Chase, Mid Devon, Waveney and Tower Hamlets

We voted No... you can do it too

THE GOVERNMENT AND COUNCILS pushing privatisation are losing more and more ballots. Already this year tenants in Selby, Cannock Chase, Mid Devon, Waveney and four areas of Tower Hamlets, East London have voted No. There are strong campaigns in many of the 55 areas due to ballot and many other councils expect to lose the vote too.

Every No vote adds to the pressure on Ministers to change policy and allow councils to do the improvements to our homes and estates.

If your council is proposing stock transfer, PFI or ALMO then help make sure there's a broad based campaign to get a clear message out to tenants that there is an alternative and they should vote No (see page 7 for ideas on how to organise an effective campaign in your area).



I'm a tenant and a councillor in the Vale of Glamorgan. The TRAs there have already done our own ballots, and we want to stay with the council. The open letter to Tony Blair has been signed by all the councillors except the Conservative ones, and they say to us, it's your government which is doing this. But I will fight to keep these council houses for the future.”

Councillor Margaret Wilkinson, Vale of Glamorgan



Tenants in Tower Hamlets, East London vote No in four out of four ballots

Picture: Mike Wells

Labour conference backs direct investment third year in row



by Austin Mitchell MP, chair, House of Commons Council Housing group

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Decent Homes is also highly significant. Ruth Kelly tried in June to suggest that government wanted to walk away from it and was prepared to leave authorities where tenants have rejected one of the government's three privatisation options without improvements. Now she can't do that.

25 Constituency Labour Parties submitted motions on council housing. This issue came second highest in the priorities ballot. That will boost the confidence and resolve of all those around England, Scotland and Wales resisting privatisation of council housing. It will see off those neo-liberal thinkers currently calling for an end to council housing to force tenants into home ownership which many don't want and can't afford anyway.

Conference has spoken yet again. Government must now listen and change policy. No government which claims to be listening can ignore the decision of three consecutive conferences and no government that breaks manifesto commitments can expect to get re-elected.

The timetable outlined in the NEC statement gives Ministers a few months to come up with a new policy that will be acceptable to council

“No government which claims to be listening can ignore the decision of three consecutive conferences and no government that breaks manifesto commitments can expect to get re-elected.”

tenants, trade unions, elected local councillors and MPs.

They've promised a report 'early next year'. If this is an attempt by government to manage the process of announcing a change in policy that secures the future of council housing then we have no difficulty giving them a few months. But the credibility of government, of housing Ministers, and of the party will all be destroyed if the sub group's deliberations turn out to be a cynical attempt to kick this issue into the long grass.

More than 250 local authorities have a direct interest in winning the 'Fourth Option'. They include 123 authorities who have decided to retain their housing, the 54 who have set up arms length companies on a five year contract, all those whose tenants have rejected privatisation, the 55 areas due to ballot and 19 still deciding their options. That's nearly 3 million council tenants plus the 1.5 million on council housing waiting lists who are directly concerned. A huge number of aggrieved citizens that Labour can't afford to alienate.

Make sure that in all these areas people are fully informed of the Labour Party conference decision and the pledges we heard this week. Help organise effective campaigns in all areas due to ballot to encourage tenants to vote No and step up the demand for the 'Fourth Option'.

Wide and growing support for campaign

MORE THAN 1,300 TENANTS, councillors and trade unionists from across the UK took part in the mass rally and lobby of Parliament in February.

The numbers, with representation from more than 90 local authority areas, demonstrated the wide and growing support for the campaign against privatisation of council housing and for direct investment.

We're part of a significant national campaign – and we're all determined to win. The lobby and rally helped raise the profile of the campaign and boosted the confidence of campaigners against privatisation locally.

Delegations came from areas where the council has gone for 'stock retention' and those threatened with transfer, PFI or ALMO in the coming months. Delegations from eighteen ALMO areas were there. They are starting to organise against the second stage of the two-stage ALMO privatisation strategy – proposals to transfer arms length companies into the private sector.

What unites us all is the demand for the 'Fourth Option'. All of us will need the alternative of extra direct investment to fund improvements now and stave off new privatisation propo-

sals in coming years.

Among the 32 tenants, councillors, MPs and others who spoke, were ex Ministers Michael Meacher, Frank Dobson, Kate Hoey, Gerald Kaufman and Tony Benn, senior councillors from a number of local authorities, trade union leaders and tenants.

Dozens of MPs were lobbied on the day and others are being chased up back in constituencies.

Picture: Simon Clark www.eyeblox.net



Amicus delegates join tenants to leaflet Labour Party conference



“A big thank you for your hospitality, we had a great day. We managed to get on TV, radio and newspapers, outlining the event.”

Eamonn Bobey, Milton Keynes DCH

“The numbers involved in the opposition to privatisation, and the high-level support we are now getting means that council housing is here to stay.”

John Marais, Cambridge Tenants Against Privatisation

“The impact of the Edinburgh No Vote has sent shockwaves across the whole Scottish political spectrum. It has created a debate about how to fund decent affordable council housing where none existed. As debt write off comes from the Westminster Treasury

we should unite our forces north and south of the border to secure a future for council housing across the UK.”

Jenni Marrow, Edinburgh tenant and secretary Scottish Tenants Organisation

“What we want is a decent home and they are telling us we're not going to get it unless we go private. The tide is turning. It's actually costing millions of pounds to force us out of the public sector. This has got to stop. All across the country we've got to say NO and all the MPs should back us.”

Carole Swords, tenant, Tower Hamlets

“The NO vote delivered in December was quite substantial – 57% in favour of retaining the council stock. The experience was quite something. The

lack of information coming back to elected members was unbelievable. The RSL has set up its shadow board, they were meeting in camera, there was no information coming out.

We did mount a campaign. We were constantly being told the information we were putting out was lies and deception, misleading people. But at the end of the day the truth will come through.

Lobby your councillors. Get them to support the No campaign. We have subscribed to Defend Council Housing as a Labour group, and I would urge members to go back and do the same. It's the only way to defend council housing for our children and future generations.

Bob Pendelton, tenant and councillor in West Lancashire

“ One of them [housing associations] used to allow the tenants to elect the representatives, but in a new Stalinism they have changed the rules and they now select the tenants representatives! If local people choose to stay with the council accept it, find the money, and accept the Fourth alternative. I cannot understand why we are following a policy that is both wrong and unpopular because that is the daftest possible policy for any political organisation to follow.” **Frank Dobson MP**

“ Sunderland Council has now allowed Sunderland Housing Group to dispense with the requirement to elect Tenant board members. They now hand pick Tenant representatives, so much for the Governments claim for meaningful tenant involvement. It's important that tenants, trade unionists and councillors in other areas facing transfer hear the whole story – not just one side of it. **Councillor Mike Tansley, Sunderland**

“ As a housing minister in a previous Labour government it was I who put through the legislation providing finance for housing associations to new build. But I did it on the basis that housing associations provided a small specialist segment of public housing in support of council housing. Never, never, never was it my intention or the intention of that government that housing associations should be the main or only source of new build public sector housing.”

Gerald Kaufman MP

“UCATT has championed this campaign from the start. Our members welcome the third Labour conference vote supporting the 'Fourth Option' and hope to see its inclusion in the next Comprehensive Spending Review. There is now a united alliance of MPs, Councillors, Tenants and Trade Unionists that will I am sure bring about direct investment in council housing.”

Alan Ritchie, general secretary UCATT (building workers)

“I was a council tenant for 39 years. I remember what the Labour Party in Liverpool achieved in the 50s and 60s in the post war housing crisis. We did it in post war Britain and there's no reason we can't in twenty-first century Britain. Postal and telecommunication workers need decent, affordable, secure and accountable council housing today and so do our children. As the vice chair of the national policy forum of the Labour Party I fully support the decisions of the 2004, 2005 and 2006 Labour Party conferences. If we don't win this 'Fourth Option' we'll see a return of Rackmanism. Funding to improve all existing and to build new council homes must be in the government's next Comprehensive Spending Review.” **Billy Hayes, general secretary CWU (Communication Workers Union)**

“For the third year in a row we have seen the Fourth Option democratically supported at Labour Party conference. This sends a clear message to the government that they must act now to put money that rightfully belongs to council housing back into improving standards and increasing provision. We need to continue this pressure to secure the 'Fourth Option' and to stop the government from breaking its manifesto commitment to "ensure that all social tenants benefit from a decent, warm home with modern facilities.” **Mark Serwotka, general secretary PCS (civil servants union)**

“Tenants in Stroud have voted against transfer making their choice clear and I hope that the Government will recognise the strong case for the 'Fourth Option' of direct investment in council housing alongside any other alternatives.” **David Drew MP**

“Tenants in Luton have opted to remain with the council. I hope tenants in the rest of the country will join us in the fight to win the 'Fourth Option' to secure a long term future for council housing everywhere.” **Kelvin Hopkins MP**

“Defend Council Housing in our borough has led a campaign which has turned the whole situation around, which has begun to win ballot after ballot despite the £hundreds of thousands thrown by the council into trying to win ballots for transfer. With our little leaflets and activists going door to door organising public meetings the old fashioned way, we have begun to defeat the machine.”

George Galloway MP

THE CASE AGAINST

Transfer of council housing to an RSL means the loss of our secure tenancies, higher rents and service charges, a less democratic housing service, increased homelessness, big pay rises for senior managers and profits for the banks.

It's risky. The new landlord may get into financial trouble and be taken over; or they expand and diversify into a huge business empire. And if it goes wrong there is no return. Transfer is a one-way ticket.

Transfer Means Privatisation

Registered Social Landlords (RSLs or housing associations) are private companies in law and borrow directly from the private market. “Walker (2000) characterises housing associations as behaving increasingly like private sector organisations 'property-driven' and managing stock as an asset to maximise returns” ‘Changing Boards, Emerging Tensions’, Liz Cairncross, Oxford Brookes University, Spring 2004

Transfer means privatisation in law and in practice. RSL board members are often paid, executives are on fat-cat salaries, and banks and lenders are in the driving seat.

Many transfer associations set up group structures to get into private housing – market renting, new devel-

opment and building luxury houses for sale. Transfer gives them all the land our estates are built on - some of it seen as prime development sites. Transfer plans often include demolition and higher density rebuilding – including new private luxury homes our children won't be able to afford.

RSLs may be technically 'Not for Profit' but they aren't in it to do you a favour. BUPA says it is 'Not for Profit' too - you wouldn't trust them running the NHS!

Higher rents and service charges

RSL rents are still much higher than council rents. Councils in England claim that the new government 'rent convergence' formula means that rents will increase by the same amount whether tenants transfer or not. Thanks to new evidence it's now clear the rent convergence formula is worthless.

● Service charges are not covered by the formula. The RSL simply has to describe part of the rent as a service charge, known as 'unpooling'. The small print in the offer document shows service charge rates are only guaranteed for a few years, if at all. Some RSLs demand £20 plus a week in service charges on top of rent.

● RSLs can raise the rents of any new tenants immediately to the 'target

level', creating a two-tier system and an incentive to get existing tenants out.

● RSLs can change the valuation method used to calculate the rent. In the words of TPAS: "changing the valuation method and therefore achieving higher 'Target rents' can [drive] a horse and carriage through the rent policy guidance and guarantee as valuation is not a fixed science... I have spoken with large Housing Associations on this issue and they clearly understand how the Jan 1999 valuation method is the loophole in the government's rent setting policy. It's the great unspoken... They can comply with the Government guidance parameters but also achieve higher rents, sometimes much higher rents." (email from Tony Bird, TPAS ITA in Brighton, to Anne Kirkham, Department of Communi-

Housing associations have been urged to build more homes for outright sale by the leader of their trade body.

National Housing Federation chief executive David Orr said this week that housing associations' futures lay in development for the open market, which would inject more cash into both public and private sector housing. **Inside Housing 24 February 06**

ties and Local Government, 09/08/06)

In Scotland and Wales the old 5-year 'rent guarantees' are still used instead of a convergence formula. But these don't work either. In England, the National Audit Office found 17% of transfer associations had broken rent guarantees. In Scotland, rent rises in transfer RSLs are now running higher [4%] than the Scottish average RSL [3.8%]. Scottish Borders had the highest increase – 5.5%, despite a promise of inflation plus 1%. (figures from Communities Scotland)

And what happens at the end of the 5-year rent guarantee? Research in the new DCH pamphlet shows that 16 of the 20 fastest increasing housing association rents between 1997 to 2005 were in housing transfer districts. The rents for Ten-Sixty-Six, the transfer RSL in Hastings, rocketed after the end of the five year period, up 10% in one year (between 2003/2004, Housing Corporation figures)

Less Security

On transfer tenants lose our special 'secure' tenancy and get an 'assured' tenancy.

RSLs have higher eviction rates. According to Communities Scotland housing association evictions had risen by 64% in 2000/1 to nearly double the rate for council evictions.

Secure tenants are “protected by arguably the most generous charter of rights available in the residential sector. That security is lost on transfer.” ('Large Scale Voluntary Transfer: not all honey and roses', Jan Luba QC, (2000) 4 L. & T. Rev. 6)

There are differences in law between the two types of tenancy. A promise by the new landlord not to use certain powers is not the same as the statutory rights 'secure' tenants have in law.

“Housing associations have become so obsessed with building new homes that they are ignoring their core housing management role, the head of the government's housing watchdog has warned.

The Audit Commission's chief inspector of housing Roy Irwin said too many associations “chase the customers they haven't got and neglect the ones that they have got””. **Inside Housing 30 September 2005**

Don't be conned

Independent Tenant Advisers: 'an integral part of the election-manipulating machine'

How can so-called 'Independent Tenant Advisers' be independent when they are paid for by councils, government and housing associations, the very people promoting transfer? Recent discoveries have revealed an ITA deliberately withholding information from tenants, an ITA campaigning behind the scenes for a yes vote and one that had to issue a public apology for misleading tenants.

Secret correspondence between TPAS in Brighton and the government has revealed that TPAS have been aware of a loophole in the government's rent setting policy since at least February 2006 but have done

nothing to inform tenants about it. Instead their Brighton adviser has been busy trying to convince the government and council to change their policy on the transfer in order to deliver a yes vote:

“I ask you to consider just how opponents of the Council's transfer proposal would just love this rent increase revaluation scenario. It is an absolute godsend to them. In effect, a hidden, currently quite secret, higher rent increase for the Tenants, just because of the Stock Transfer proposal.... I suppose my big fear is that this extra rent increase issue all represents a threat to the project... A modest proposal will not win a ballot” (email from TPAS ITA in Brighton, to

Brighton & Hove Council, 18/07/06)

Why haven't TPAS made other tenants around the country aware of the rent revaluation loophole?

On the Ocean estate, Tower Hamlets, TPAS were described by the London Evening Standard as "an integral part of the election-manipulation machine. For all her protestations of neutrality, the Standard discovered that Ms Johnsen's mobile phone number appears as a contact at the bottom of Yes campaign literature." (Evening Standard, 21st September 2006).

“The company charged with independently assessing Salisbury district council's bid to transfer its housing stock has been forced to



Brighton tenants campaigning for NO vote

“The small local housing association we're told will do such a good job of running your estate, very rapidly becomes part of a much larger regional and national housing association where you have no say whatsoever. So if you stay with the council you can choose at elections, at regular intervals – it's called democracy – to change your landlord. If you privatise that's it, it's a one way street.” **Paul Holmes, MP**

“We've got thousands of people on our waiting list. We've taken a position in Barking and Dagenham to fight against that, to defend council housing. Think of the £millions spent each year on housing benefit subsidies. Every young family that gets housed in Barking and Dagenham, it's through private renting because the government picks up the bill. How many homes could be built each year out of that housing benefit money? [They are] condemning families to a life on benefits because they can't afford the rent. **Councillor Liam Smith, Barking and Dagenham lead member for housing**

ST STOCK TRANSFER



“If the council wants to evict you, they must prove both the ground for possession (e.g. rent arrears, anti-social behaviour) AND that it would be 'reasonable' to evict you.... A RSL can seek to evict you without the court having to consider 'reasonableness' in 8 out of 17 grounds for possession. For example if you are more than 8 weeks in arrears of rent on the day of the court hearing, the court will have to make a possession order even if the arrears are not your fault. (Ground 8).” (**'Stock Transfer: Essential Reading Before You Choose', Tower Hamlets Law Centre**)

Councils claim that the new landlord will write additional rights into the new assured tenancy contract which will make it the equivalent of a secure tenancy. The Law Centre say:

“If an RSL wants to ignore the promises they have made in a tenancy agreement, and rely instead on the weaker rights set out in law, they may be able to do so. In a leading court case a judge found that a housing association were entitled to override the promise they had made to always give notice before issuing proceedings, because this was allowed by statute.”

Wasted Money and Broken Promises

According to the National Audit Office, it costs £1300 per home more to improve homes after transfer than it would cost if councils were given the money to do the work themselves. (**'Improving Social Housing Through Transfer', 2003**)

Councils, as public bodies, are able to borrow money at a lower rate of interest than housing associations. The 'management costs' of housing associations are also higher – in other words they pay fat-cat salaries to senior executives, and spend a fortune on new office buildings and glossy self-promotion. Someone has to pay for this.

The report by the Council Housing Group of MPs (see back page) details broken promises. If promises are broken, there is little tenants can do, because offer document promises are a contract between the RSL and the council, not with the individual tenant.

Loss of Accountability

As tenants of a local council we elect our landlord. If we don't like the way they run our housing we can vote them out every four years at the ballot box. This direct democratic relationship is lost after transfer, PFI or ALMO.

Promises of tenants on the board is a con. The role of tenant board members is “primarily symbolic, providing a fig leaf to cover the unpalatable fact

One fifth of transfer RSLs have had to be placed under supervision by the Housing Corporation. ‘Such action, which involves the appointment of external experts to the board of the association, is only triggered by poor performance or serious management irregularities’ (**The Guardian, 25 May 2005**).

It means more homelessness

Stock transfer means more homeless. Where councils have transferred their houses “homeless applicants spend longer in temporary accommodation, have fewer long term housing options and in some cases are unable to access affordable housing at all.” Of 75,000 families looking for homes after transfer 43% were told that there was no home available for them.

'Out of stock: Stock transfer, Homelessness and Access to Housing' Shelter, 2001

“Our own investigations into the position of the homeless in stock transfer areas have revealed that many applicants have found it more difficult to access permanent

accommodation since the transfer... 20.1% of allocations by large-scale voluntary transfer housing associations are to homeless families. This compares favourably to housing associations not involved in stock transfer (9.4%), but it is less than the 34% by local authorities.”

Housing Today, 29 April 2005

“An area of ongoing concern to [Glasgow] City Council is the impact that the stock transfer has had on its ability to meet its obligations under the homelessness legislation. The use of bed and breakfast has gone up markedly.”

Stock Transfer in Scotland: Impact and Implications, APSE, Sep 2005

Mergers and Takeovers

We're told transfer will be to a locally-based organisation. But this doesn't last long. There is a high risk the new landlord will get into financial trouble and be taken over, or will expand and diversify into a huge business empire.

Smaller associations tend to

become part of a group structure. Bigger RSLs pay their senior managers more! The last two years have seen over 100 full scale mergers, with nearly 70 more becoming subsidiaries within a larger group. (**Inside Housing, 10 Feb 2006**)

“There is a merger mania just now that is being fuelled by the Housing Corporation saying future development cash will be concentrated on fewer and fewer associations.” (Derek Joseph, Managing Director, Tribal HCH consultancy Society Guardian, 9 May 2005)

Tenants don't get a vote on takeovers or mergers. And the take-over RSL is under no legal obligation to keep promises made at the time of transfer:

“The mortgagee exclusion clause... means that if the RSL gets into financial difficulties and as a result the funder takes control and transfers to another RSL, the “new” RSL is not bound by any of the promises made to the tenants.” (**Housing Today, 21 January 2005**)

Parliament's Public Accounts Committee found only a 3% increase in tenants satisfied with the condition of their home (81% from 78% before transfer) – even after improvements had taken place (but often before rent guarantees ran out). Only 85% of tenants considered that housing services were at least as good as before transfer; while satisfaction with the quality of repairs went down (63% against 68%). **Improving Social Housing Through Transfer, Public Accounts Committee report, March 2003**

that the real power lies elsewhere.” **Cairncross 2004**

Tenants on boards are bound by company law and, even if elected, will not be able to represent the tenants who elected them.

Tenant board members who complain are told they have to be ‘good team players’. If they try to speak out, they're kicked off!

“At the time of transfer, tenants are often led to believe that they will have an explicit role in representing the interest of their fellow tenants on the board. This is not compatible with the accepted principle that dictates that as a board member they have to work for the interest of the organisation.” (**Housing: Improving services through resident involvement, Audit Commission, June 2004**).

Scotland and Wales

The situation in Scotland and Wales differs slightly in the details, although the broad principles of opposing privatisation and campaigning for direct investment are the same. For more details, ask for a copy of our new Scotland and Wales broadsheets.



by their spin



‘Community Gateway’ or ‘Community Mutual’: Privatisation with a fancy wrapper

issue a public apology for misleading tenants and leaseholders. Aldbourne Associates has placed an advert saying sorry for failing to inform leaseholders they face being slapped with VAT bills on service charges if the controversial transfer goes through.

The information was omitted from the company's May newsletter, in which it stated there would be no increase to service charges. Aldbourne insists this was “a genuine error” but questions are being raised about the council's role as it sees all of the company's publications before release.” (**Salisbury Journal, 15th September 2006**)

Insist your council adopt the House of Commons Council Housing group's recommendations (back page) and fund a ‘fair and balanced’ debate before a formal ballot.

The government is making a big play on the idea of ‘community ownership’. Don't be fooled: a ‘Community Gateway’ or ‘Community Mutual’ is just a registered social landlord with a fancy wrapper.

The key thing about any RSL is the fact that they are private companies in law and borrow money from the banks – no amount of rhetoric about community ownership is going to take away the control that lenders have and the corporate culture of these landlords.

Wild claims are made that making tenants ‘shareholders’ will empower tenants but there's no basis for these. Tenant ‘shareholders’ in a community mutual or gateway organisation won't even have the right to elect the whole board. Tenants on the board will be in a minority and their hands, like any other company directors, will be tied by company law.

It's outrageous that the government is trying to hijack the ideas of the co-operative movement to support privatisation; as a recent report on Community Mutuals in Wales has shown, transfer RSLs and genuine co-operatives have almost nothing in common.

Holding a token share in a new housing company will no more empower tenants than having a share in British Gas, BT or one of the other privatised utility companies. It's a con.

If councils want to give tenants more control they can easily do so without selling off the homes. At the moment individual tenants and tenants associations can lobby their local ward councillors and, if we don't like the way they run our homes, vote them out. This direct democratic relationship will be lost after transfer.

“...once Almos have come to the end of the subsidy they get for achieving decent homes ... why should councils carry the extra costs of maintaining an Almo? ... Councils that retain their housing stock but manage it directly can achieve many of the same freedoms ... There is already renewed talk about a ‘fourth option’ for council housing and, despite denials, the fact that extra freedoms are being floated is bound to give the idea credibility.” **John Perry, Chartered Institute of Housing policy adviser, 15th September 2006**

“Why do councils always give such a one-sided argument? Why are public funds only used for the pro-transfer campaign? It’s in order to stop tenants having a chance to hear the other side of the argument. That is the opposite of democracy. It’s not choice – it’s blackmail. Stick with your secure tenancies. Demand that all council tenants’ rents and right to buy capital receipts are used exclusively on council homes and none of it is siphoned off. And insist on a clear code of practise to guarantee a fair and balanced debate which outlaws the blackmail.” **Michael Meacher MP**



ALMO: two-stage privatisation

ALMOs (Arms Length Management Organisations) are a two-stage strategy for privatisation. The government really wants to sell-off our homes but they know that in many areas there would be massive opposition from tenants.

Setting up a private company makes it much easier to get privatisation through at a later date. ALMOs get their own corporate branding and put as much distance between themselves and the council as possible.

They claim that services improve by separating strategic functions from housing management. There is no evidence to support this.

ALMOs also claim that tenants will be ‘empowered’. But tenants have no more say in ALMOs than they do in housing associations – all the same problems apply. The boards are dominated by senior managers and tenants are outnumbered. Directors who try and speak out are gagged by ‘confidentiality’ clauses. The relationship between tenants and elected councillors is lost allowing councils to claim that the new company now makes the decisions.



We forced a ballot – and then won the vote in Camden

“We have not heard evidence that creating an ALMO per se enhances the achievement of Decent Homes, or indeed tenant satisfaction”... “The Committee agrees with those stakeholders who argue that Local Authorities hold the potential to manage housing stock just as effectively as RSLs, ALMOs or PFI schemes.” (ODPM Select Committee Report on Decent Homes, 7 May 2004)

“Tenants in Camden voted 77% No to an ALMO. We could see what the real agenda was and weren’t prepared to take the risk. Join us in fighting for direct investment – that’s what tenants want.” **Lesley Carty, Camden tenant**

“Islington have banned officers of tenants and residents associations from being board members. Councillor, Euan Cameron, explained “We want to open these panels out to the community, not have the same old faces.” (Islington Tribune, 22 July 2005)

The big bribe is extra government money. But the ALMO money is public money – it’s ‘on balance sheet’ in Treasury terminology. The obvious question is: if the government has extra money to improve our homes, why not give it to local authorities direct – which is what tenants want – unless, of course, the real agenda is privatisation?

If you don’t want privatisation – don’t take the first step!

Demand a formal ballot

If your council wants to set up an ALMO demand that every tenants receives a formal ballot paper – after a proper debate where everyone has heard both sides of the argument. Tenants in existing ALMOs

should demand a formal ballot on reverting back to the council.

Councils have to be able to demonstrate evidence of ‘tenants support’ to the government. But some try and avoid a formal ballot and

use questionnaires or telephone surveys instead. Demand your councillors organise a ballot. It’s called democracy – don’t put up with anything less.

“We believe that the requirement for tenant

consultation and approval should be identical regardless of whether a Local Authority intends to go down a PFI, ALMO or stock transfer route.” (ODPM Select Committee Report on Decent Homes, 7 May 2004)

Existing ALMOs: ‘revert back’ or risk privatisation

THE BATTLE OVER THE FUTURE of council housing where ALMOs exist is hotting up. On the one side are tenants, trade unions and councillors arguing that once the Decent Homes money has been spent - and the ALMO has done the job it was set up for - the management of homes should revert back to the council.

This is what many tenants were originally promised and it makes sense.

Keeping the private company running is expensive and eats up money that should be used on repairs and improvements.

But, as we predicted, the National Federation of ALMOs and powerful vested interests have other plans. They want ALMOs to expand their empire and take on new roles. They propose that ALMOs get a 35 year contract and government writes off council debts so that the ALMO company can be trans-

ferred into the private sector and borrow on the private market. Crucially, this would allow the banks (not the council) to step in if problems arise. (ALMOs: A New Future for Council Housing, Housemark/ NFA/ CIH, April 2005).

The government is leaving it up to tenants in each area to decide on the future of their ALMO. Some councils are proposing to sit on the fence and

keep the ALMO going but this isn’t a long term option. Rather than risk future privatisation proposals demand that that housing management reverts back to the council once the Decent Homes work is complete. This would firmly bolt the door for good against two-stage privatisation. Insist on a full debate in your area so that tenants can hear all the arguments before making a decision.

“In reality, if these proposals are adopted, the banks/lenders will exercise control over the policy and financial decisions of the ALMO board...”

If, for instance, the ALMO had either spent anticipated HRA income for future years or borrowed against that income then the authority would find itself unable to take management of the homes back in house. In this situation it is not hard to envisage that the authority would be telling its tenants that there was no alternative but stock transfer.”

(According to the Centre for Public Services: The Future of ALMOs Briefing, June 2005)

“In the event of an ALMO failing financially the initiative would rest with the funders, rather than with a public sector body”

UK Housing Review 2005/6

“It now seems inevitable that the controls any external funder will require in return for providing corporate debt to an ALMO will also mean that the renewal of its management will need to be tendered.” **Inside Housing, 17 February 2006**

ALMOs PAMPHLET COMING SOON

DCH is planning a pamphlet in conjunction with the European Services Strategy Unit at Northumbria University (continuing the work of the Centre for Public Services) to assess the ALMO experience from the perspective of tenants, trade unionists, councillors and MPs. We need your help.

Answer our questionnaire, get your organisation to sponsor the pamphlet and order copies to stimulate the debate amongst tenants, trade unionists and councillors in your area. This pamphlet aims to bring together all the available evidence so that

those in existing ALMOs considering their future and those being asked to set up new ALMOs can make an informed assessment.

“Insist on a full debate in your area so that tenants can hear all the arguments before making a decision”

Many tenants were promised that ALMOs were a pragmatic short-term solution with a five year contract for getting additional investment. We were told that our homes would revert back to the council once the ALMO had done its job. The best defence against the latest proposals is to close the ALMO down once the ‘Decent Homes’ work has been completed. That shuts the door firmly against two-stage privatisation plans.

Councillor Neil License from Rotherham told the DCH TUC fringe meeting (September 2006) that their ALMO was deliberately named ‘2010’ because they intend to wind the company up as promised and take the homes back under direct council control.

“ALMO – it’s a ‘job and finish’. They were set up to achieve the Decent Homes target. Once they have done their job they are finished. Reverting back to direct council management shuts the door firmly against two-stage privatisation. Obviously any improved procedures and better tenant involvement under the ALMO can be adopted by the local authority.”

Cllr. Chris Weldon, Cabinet Member for Neighbourhood Regeneration, Sheffield Council

“Haringey’s Residents Consultative Forum passed a resolution against the controversial proposals of the National Federation of ALMOs, and called for the banning of any new private business ventures by Homes for Haringey at a meeting at the Civic Centre on 1st February. We will be working with tenants, trade unionists, Councillors and MPs around the country to make sure that these dangerous plans are stopped.” **Paul Burnham, Haringey Defend Council Housing**

“When their job is done they should be returned to public ownership. If ALMOs are setting themselves up as new social landlords there’s a case for judicial review. Tenants would have a legitimate complaint that they weren’t given the full choice when opting for an ALMO.” **Cllr. Milan Radulovic, Leader, Broxtowe Council**

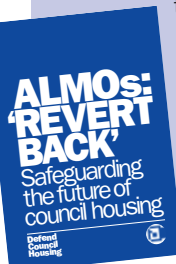
“I believe councils have got to come together to say we never intended privatisation, the reason why we went for ALMO was a pragmatic view to safeguard our homes from privatisation; to stand up and say we want these ALMOs back in council control at the end of their term.” **John Allott, Amicus national officer for Local Authorities**

“Arm’s-length management organisations are facing an unprecedented challenge from a group of 50 local authorities that want to see ALMOs’ functions brought back in house. The founders of the Association of Retained Council Housing outlined their ambition to return ALMOs’ stock to their parent councils at the organisation’s inaugural meeting on Monday.” **Inside Housing, 21 October 2005**

The case against PFI

PFI’s record is appalling. It is expensive, risky, and unaccountable. It hands over control to a private consortium to make a profit out of our estates for 30 years. The poor record of schemes (which are extremely complicated and take many years to set up) has led even the government to admit that PFI to improve housing is not a good solution.

Tenants will have to pay the higher cost of PFI. Contracts are negotiated behind closed doors so there is no accountability. And, as the general record of PFI has shown, there is a real danger that schemes will go pear-shaped. If the PFI consortium goes broke or decides to pull out because its profit isn’t high enough (it happens all the time) our estates will be left in crisis.





“We need to take the argument to tenants and win No votes against transfer, PFI or ALMOs as well as stepping up the pressure on MPs and Ministers. It’s the unity between tenants, trade unions, councillors and MPs that makes this campaign a force to be reckoned with. No one can pretend the government is not listening – they’re listening. So let’s make sure we’re very clear, very loud and show them our determination to win direct investment.” **Alan Walter, Camden tenant and chair Defend Council Housing**



“The Labour Party conference has decided once again decisively that it wants the Government to implement the Fourth Option. It could not be clearer. The Government now needs to respond and fast. I have placed this as one of the key policy demands at the heart of my campaign to become leader of the Labour Party.” **John McDonnell MP**



If your council is proposing transfer, PFI or ALMO: organise an effective campaign

STANDING UP TO THE COUNCIL can seem a bit daunting at first but don’t be put off. There’s lots of experience and people who can help you organise a campaign in your area.

Once you get out on the estates you will find that most tenants are instinctively wary of council glossy PR campaigns and know that privatisation has been a disaster in other public services.

The key is to produce good local material that takes up the general arguments and counters the council’s case for privatisation. Contact DCH and check examples of local leaflets on the campaign website. Ask the council trade unions and sympathetic

councillors for help challenging the council’s arguments (councils often hide or distort important financial information to support their claim there is no alternative).

Make the campaign as broad as possible – involve tenants, unions, councillors and other organisations in your area. And make sure that you look like you are serious about winning. If other tenants think you are just protesting you won’t be taken seriously.

Getting out on the estates and going door to door is essential but there are lots of additional ways to get your message across. Hold public

meetings in local halls and invite national as well as local speakers. Leafleting parents outside primary schools is a good way to talk to tenants and find volunteers to help on their estates. Cover churches, mosques, bingo halls and community centres too.

Ask unions in local hospitals, schools, factories and offices to distribute leaflets to their members and put up posters on union noticeboards. Send letters to the local papers and brief journalists to run regular reports. And in the run up to the ballot use car loudspeakers and tour estates to get your message across.



Some of the many leaflets and newspapers from local campaign groups

What to do if your council is proposing transfer, PFI or ALMO

● **DON'T WAIT. The earlier you start campaigning the better.** And don't trust any ballot timetable the council may publicise - they regularly start ballots early so that tenants vote before getting material putting the arguments against.

● **Build a broad-based campaign.** The most effective local campaigns are led by tenants, and supported by trade unions, local councillors and MPs. Involve everyone who agrees we need more investment in council housing and is prepared to oppose privatisation.

● **Contact your tenants federation or forum, and individual tenants associations in the area and ask them to back the campaign.** Some will, others won't because they are scared of losing council funding or have been incorporated too far into the stock options process. Argue strongly that even if they won't oppose privatisation they should, at least, help distribute material to ensure that tenants hear both sides of the debate. Don't give up if some 'tenants reps' aren't responsive – tenants on the estates will be.

● **Organise a local DCH meeting to plan the campaign.** Involve tenants,

The council will spend hundreds of thousands of pounds on a confident glossy PR campaign telling tenants there's no alternative. They want to make it seem like it's a 'done deal'. But as campaigns around the country have showed we can organise effective campaigns on a shoe string. Tenants aren't stupid – they just need to hear about the alternatives and most people's instincts are against privatisation and they are very wary of expensive one-sided council PR campaigns.

trade unionists and, where possible councillors and MPs too. Make a Freedom of Information Act request NOW for all the addresses (not tenant's names) of council homes in the area so you can plan distribution of material effectively.

● **Question the council's financial analysis.** Councils frequently mislead tenants by painting a very black and white picture: transfer, PFI or ALMO or 'you won't get any improvements'. Often they create a higher local 'Gold' standard – and then say the council can't afford it. Read the council's 'options appraisal' report, 'business plan' and minutes of meetings. Find out what improvements the council can do and whether the extra work is worth the risks involved.

● **Approach local unions for financial support.** Many unions have special regional and national funds

that local branches can apply to. Contact local branches of Amicus, CWU, GMB, PCS, RMT, T&G, UCATT and UNISON (who all support the campaign) and the local Trades Council. Ask for funding and help with design and printing, organising meetings, loudspeakers, etc.

● **Lobby your councillors and MP.** Councils try and create the impression that the outcome is a 'done deal' but don't be intimidated. Many councillors will have voted without fully understanding the issues or questioning the advice of senior council officers (who usually stand to gain from the proposal). Some will be open to persuasion. 'Thank you for sending me a copy regarding the Fourth Option. I dearly wish it was in my possession some months ago.'

North Somerset Councillor
● **Produce local material.**

Leaflet every home but also have stalls at markets and high streets and give out material at churches, mosques and to parents outside primary schools

Order more copies of this newspaper to get the arguments across to tenants. DCH can also help with writing local leaflets (see examples on the campaign website) and by providing speakers for meetings and debates..

● **High visibility is important.** Get posters up on every estate and street, and borrow a car loudspeaker to tour estates. Send letters to the local press, organise lobbies or stunts to get publicity and ask trade unions to sponsor adverts in the press to put the arguments across.

● **Demand a ballot.** Some councils try and set up ALMOs or PFI schemes without holding a formal ballot of all tenants - if you don't challenge them they will try to submit lesser evidence of consulting tenants to avoid a proper vote. Demand a full debate and a formal ballot of all tenants. Tenants in Camden, Lambeth, Nottingham, Sutton and elsewhere have all won this basic right. It's called democracy.

Don't let councils bully workers

Councils often try and bully council workers into helping them bully tenants to accept privatisation. They talk about the need for 'team working' – but don't mention that senior managers personally stand to get big pay rises if privatisation goes ahead. Sometimes they threaten job losses if tenants vote No but they are regularly caught out massaging the figures to paint a bleak picture.

Most RSL landlords are either not unionised or have worse union organisation. There is a much bigger turnover of employees and constant mergers and takeovers give the employer the upper hand.

Get tenants to leaflet housing workers to propose a joint campaign. Organise union meetings at work and invite tenants, union officials, sympathetic councillors and MPs opposed to privatisation to come in to speak.

All the trade unions oppose privatisation of council housing. Contact yours and ask them to help you defend council housing as a public service.



Trade unions support the campaign

The TUC and most national trade unions now support the campaign. The Wales TUC and Scottish TUC have helped produce

their own DCH newspapers. The unions are fighting to defend the interests of their members who work in local authorities and the

millions of trade union members who are council tenants or who need more decent, affordable, secure and accountable council

housing. Contact any of the following for help with organising a campaign in your area: Amicus, CWU, GMB, PCS, RMT, T&G, UCATT and UNISON.

Get your organisation to affiliate to DCH

Annual affiliation fees:
Tenants/Community Organisations
 Local £10 Regional £25 National £50
Trade Union Organisations
 Local £40 Regional £100 National £250

Order campaign material

Bulk order copies of this newspaper:
£18 per 100 / £100 per 1000 further reductions on bigger orders possible
Annual subscription to DCH Mailings & Briefings £15
DCH Badges @30p each / £10 for 50;
DCH Stickers £1 sheet £5 for 8 sheets;
DCH A3 Posters £15 per 100

Name

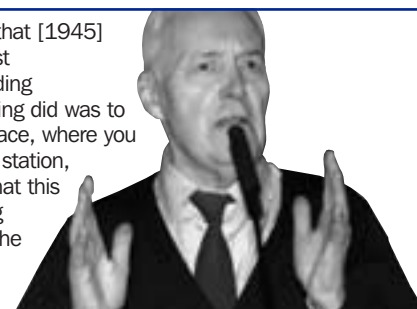
Address

Tel Email

Send to Defend Council Housing, PO Box 33519, London E2 9WW



I served as a backbencher under that [1945] government and one of its greatest achievements was the house building programme.... What council housing did was to transfer power from the market place, where you had to have money, to the polling station, where you had to have a vote. What this government is doing is transferring power from the polling station to the market place. It is destroying local democracy. **Tony Benn**



We're fighting for first class council housing

for existing tenants and future generations

A COUNCIL TENANCY MEANS we are the most secure, with lower rents and charges, rights no other tenant has, and a landlord we elect and can hold to account. What we want is improvements – not privatisation.

Do the repairs and improvements and stop running down our estates. Investment, using all the money that belongs to council housing, is what we need. And then let's get on with building

more council homes for the millions who need them.

In Birmingham, Newcastle, Manchester and Cardiff research shows only one in seven households can afford even three-quarters of the average price of a flat for sale – in London it is almost zero.

Privatisation is not an answer. Housing associations – now called Registered Social Landlords (RSLs) are taking more of the government funding and public land but they are building less and less homes people can afford – RSL new building fell by half between 1994-2004.

Governments have for 25 years been taking money away from Council housing and switching it to the RSLs. Now the RSLs have been turned into big businesses, competing with private developers and run in a similar way. RSLs have massive sur-



Picture: Stefano Cagnoni

'Fourth option': improve existing and build new council homes

pluses (see below right) – most of it derived from public subsidy. These could be commandeered to fund investment in council housing.

And because they are legally in the private sector, there is no control or accountability, no way to make RSLs use this money to build the homes we need.

'The chief executive of the Housing Corporation has pledged to try and involve more private developers in the next affordable housing programme.' (Inside Housing, 31 March 2006)

Shared ownership, intermediate and key worker rents charged by Housing associations are way beyond most people. Just calling it 'afford-

able' doesn't mean we can afford it.

Government is pouring public money into subsidising home ownership but Shelter's research shows that 72% in housing need prioritised 'affordability' and a safe neighbourhood above 'ownership'.

You can see where the neo liberal housing agenda is heading and why

there is a deliberate attempt to stigmatise council housing: the recent Smith Institute paper wants to end our life-long secure tenancy and push council and RSL tenants into home ownership. Existing tenants and most on the waiting list can't or don't want to take on a mortgage. And why should we – with costs soaring to live in egg boxes, and repossessions looming? Private venture capital, developers and RSLs are now looking at setting up REITs (Real Estate Investment Trusts) which are being used in America and Europe to take over public housing and boost their profits.

We need an urgent programme of council house building, as in the 1950s-70s. Instead of subsidising the private sector, Councils must again have the power to use available land to build first class homes. Planning agreements could be used to build a minimum 50% council homes on any new site – 100% on public land.

Council housing can pay for itself – it's the best investment we can make in decent, affordable, secure and accountable homes built to last. It's cheaper to build, manage and maintain than the private alternatives. Tenants want to see our homes and estates modernised – and we need to build new council homes to house our kids and others who need them.



The local election results saw the British National Party make significant electoral gains in specific parts of the country. In order to confront and deal with this emerging threat we need to identify the material conditions that produce this extremism...

There is no more important debate than the future of council housing. We are winning that debate – together we can secure the 'Fourth Option'.

Jon Cruddas MP



Bevan's policy was to restrict severely private housebuilding, allowing only one private house for every four built by local authorities, to order local authorities to requisition empty houses and derequisition those it had taken over as offices, to toughen rent controls, put first priority on repairs to unoccupied war-damaged dwellings, and charge local authorities with the task of building, either through direct labour organisations or on contract with private builders. He persuaded Dalton not only to treble the subsidy for council housing and extend it from 40 to 60 years, but to shift the balance so that three quarters of the cost rather than two thirds came from the Exchequer, and only a quarter from the rates.

Nicholas Timmins, The Five Giants – A biography of the Welfare State, Fontana, 1996.

House of Commons Council Housing group

Last year the House of Commons Council Housing group held an inquiry and produced a 48 page report on "Support for the 'Fourth Option' for council housing". The group took evidence from tenants, councillors, trade unions and academics. The report catalogues the bullying of tenants and abuses of democracy, highlights the negative experience of privatisation and puts the case for the 'Fourth Option'.

Copies are available (£10 – free to individual tenants) from Austin Mitchell MP, House of Commons, London SW1A 0AA or download from www.support4councilhousing.org.uk

Report sets out democratic framework

Amongst its recommendations: "Produce guidelines for local authorities and a clear code of practice that insists on a fair and balanced debate so that tenants hear both sides of the argument including: a. The right of tenants to choose between all of the options and for these options to be factually presented (not 'more investment' v 'stay as you are');

b. Any proposal/process to change from one option to another should be tenant led;

c. Public access to all the relevant information (financial information, stock conditions reports, address lists of all those entitled to vote);

d. Equal access to meeting halls and other facilities to allow the fullest possible debate;

e. Tenants are given one clear month's advance notice of when the ballot will start and finish and this timescale will be strictly adhered to;

f. Tenants receive material putting both sides of the debate and a commitment that council staff will not be instructed to selectively take down material on estates opposing the proposal;

g. A financial limit on the overall cost of consultation to ensure the maximum resources are spent on improving tenants' homes."



RSL Surpluses – it's offensive!

"The non-profit housing association sector makes a surplus, even after tax, of just under half a billion pounds a year, and has non-earmarked surpluses of over £4 billion. That's one heck of a non-profit." **Jeff Zitron, Tribal Consulting (Inside Housing, 11 August 2006)**

"The 2004 published financial statements of the 553 largest housing associations, responsible for 95 per cent of the sector's activity, reveal that they collectively received £29.2 billion in capital grant and £24.6 billion in private finance. They also show total reserves of £10.8 billion, of which £5.1 billion are revenue reserves, and a pre-tax surplus of £276 million." **Inside Housing, 4 February 2006**

'London & Quadrant Group, England's top housing association developer, this week announced plans to more than double its investment in creating land banks from £60 million to £150 million in what is believed to be a trend across the sector.' **Inside Housing, 23 June 2005**

Warning: sheltered homes to close

London and Quadrant, the fourth biggest RSL, plans to close six sheltered housing schemes in Bexley. The council transferred all its homes in 1998.



'The Case for council housing in 21st Century Britain' new pamphlet

DCH has produced a new 98 page pamphlet bringing together 31 articles from leading tenant activists, MPs, trade unionists, councillors and academics. Individual copies £10 / £2.50 for tenants. Bulk order copies at £2.50 for tenants reps, trade unionists and councillors in your area.