

HARINGEY DEFEND COUNCIL HOUSING

VOTE NO TO ALMO



FEBRUARY 2005

HARINGEY COUNCIL wants to transfer the management of our homes into a separate, private company called an ALMO (Arms Length Management Organisation). This is not a no-change option. Although technically the council will still own our homes, they won't run the ALMO.

The government wants to privatise council housing. They know that tenants in most major towns and cities won't accept a straight sell-off. That's why they have come up with this ALMO formula. We call it two-stage privatisation. They hope that if they can get us to agree to setting up a private company to run our homes it will be easier to sell them off at a later date.

Council housing may not be perfect but it has served us well for generations. As council tenants we have a special relationship with our landlord. If we don't like the way they manage our homes, we can vote them out at the next election. But the ALMO will be run by a board of directors who will be accountable to the company, not to the tenants. Just five tenants will be given the illusion of power by being given seats on the board. What about the rest of us?

For years governments have told us there is no money for improvements. Suddenly there is plenty of money – but only if we accept ALMOs. This 'new' money comes from tenants rents. Ask yourself: why can't the government give the extra money to the council direct – as tenants are demanding – unless they have a privatisation agenda?



Picture: Andrew Ward

Our campaigning has already forced concessions from the government. Since tenants in Camden voted NO to the ALMO last January, the national campaign has increased in strength and Ministers are under increasing pressure to concede direct investment with no strings.

Vote No to ALMO and tell them we want direct investment in OUR HOMES!

THERE IS AN ALTERNATIVE DIRECT INVESTMENT IN COUNCIL HOUSING

Haringey council's glossy propaganda doesn't tell us that they have £126 million of their own resources to spend on Decent Homes – half the money needed. They don't tell us they are redirecting £50 million of money that belongs to council housing to other projects... (see inside for details).

By voting NO we can keep our homes safe for future generations in public ownership and democratic control, have most of the work that we

need done on our homes, and join the national campaign to persuade the government to give us the rest.

There are more than 3 million council tenants in Britain and there is a huge and growing campaign involving tenants, trade unions, councils and over 250 MPs. Let's tell Haringey council to stop blackmailing us, hand over the money that belongs to council housing, and join the campaign to force the government to concede direct investment in our homes.

8 REASONS TO REJECT ALMOS

- 1** This government wants to privatise council housing – ALMOs are a key part of their strategy
- 2** Elected councillors will no longer be accountable for what happens to our homes. It's a recipe for excuses
- 3** A separate private company means less co-ordination between housing and other services – when we need more!
- 4** Tenants on the board will not be allowed to represent our interests – their hands will be tied by company law
- 5** Massive amounts will be spent on consultants, re-organisation and higher senior managers pay
- 6** Housing workers will lose out by being TUPE transferred. Staff turnover and demoralisation will affect the service
- 7** Haringey can do half the work out of its own resources and could raise a lot more – without going ALMO. There is no need to take the risk!
- 8** Winning direct investment without strings is worth fighting for. We've already won concessions. We can win much more!

This publication has been certified **FREE FROM ADDED PROFIT**
No highly paid consultants, senior managers or ambitious politicians have been involved in this broadsheet

A FAIR AND BALANCED DEBATE?

This broadsheet was entirely written by council tenants with the financial help of Haringey UNISON.

Haringey council and their consultants Mouchel Parkman are spending hundreds of thousands of pounds of our rents on their one-sided propaganda (see back for details).

The council have refused to allow us a fair debate so tenants can hear all the arguments, against as well as for the ALMO. What are they afraid of?

TWO-STAGE PRIVATISATION OF COUNCIL HOUSING

Government's real agenda THE ALTERNATIVE TO ALMO

THE GOVERNMENT have now openly admitted that they want ALMOs to move on to a second stage.

"Arms-length management organisations could take over ownership of council homes by 2006 under radical new proposals drawn up by the Office of the Deputy Prime Minister" (*Inside Housing*, 3 September 2004).

This is exactly what Defend Council Housing have predicted and why we say ALMOs are two-stage privatisation.

This government is clearly committed to privatisation of public services. Everyone can reel off the list of public services that are run by private companies.

The government's election manifesto in 2001 included a target of selling off

200,000 council homes a year each year until 2010.

The trouble for Ministers is that housing privatisation has proved much more difficult than expected. That's because tenants around the country have been getting organised and saying NO!

Privatisation is deeply unpopular. It's meant more 'fat cat' executives and senior managers, big profits for the private companies – and we're left with run down services.

The consequences of rail privatisation – and the tube in London – is in the news almost daily. Public pressure is forcing the government to reverse privatisation – at great expense.

Ministers now recognise that stock transfer won't get through in many areas. That's why they have dusted off the Tories original ALMO formula.

They hope that if they can get the private company managing our homes it will be easier to complete the privatisation in a second stage.

If you are opposed to the government's privatisation agenda don't let them take the first step. Vote No to ALMO

HARINGEY'S PLANS TO SELL-OFF

The ALMO is only set up to last for five years. What happens then? We believe that it will be much easier to blackmail tenants into voting for transfer once the five years are up.

Haringey council claim that they have no plans to move on to the second stage after the ALMO – privatisation. The report of their "Options Appraisal Steering Group" makes quite clear that even after the ALMO is set up they will go on looking at other investment options. They call this "flexibility to bring in additional capital funding". This can only mean stock transfer (privatisation), or the private finance initiative (PFI).

It's clear from the whole "Future Flexibility" section of the report, that once the ALMO is set up they will target our housing for privatisation a bit at a time, starting with sheltered housing for the elderly and then picking off estates separately for "local options appraisals". This is exactly what is happening in Islington now that the ALMO has been set up there. Don't let them take the first step. **VOTE NO TO ALMO!**

("Achieving the Decent Homes Standard in Haringey", *Options Appraisal Steering Group*; report to council Nov. 2004)

GOING ALMO – it's not worth the risk

• A third of the ALMOs which have been set up haven't received the money they were promised by the government. Unless an ALMO gains a "2 star" rating the government won't give them the extra funding.

• In about a third of areas, including Waltham Forest, and Salford the ALMOs have not gained enough stars, so these tenants have all the costs of an ALMO, and none of the benefits.

• Westminster ALMO ran out of money after only two years and the tenants on two large estates were told their homes must be sold off if they want the promised improvements.

• Other ALMOs are already looking at contracting out services and demolishing estates.

• The ALMO contract only lasts for five years. What happens then? Haringey council are saying that if the ALMO fails they will take it back again. Why should we believe they will be any different?

Voting NO to ALMO doesn't mean voting NO to improvements. The council's propaganda tries to imply that our homes will fall apart if we don't go ALMO. This isn't true.

As well as the money for day-to-day repairs, the council already has £126 million to spend on a massive improvement programme between now and 2010. It's not enough – but there are ways Haringey could raise more money without an ALMO (see below). For example there is £50 million from right-to-buy sales that the council could use towards decent homes. This money belongs to council housing – it's an outrage that Haringey council should go on siphoning it off to spend on other projects, when they want us to believe they care about the condition of our homes.

If we resist the blackmail and join the national campaign for direct investment, we can convince government to give us the rest of the money for the improvements tenants want, without strings.

Council tenants across the country pay more than enough in rent to cover day to day repairs, housing management and major improvements. The problem is that the government robs housing rent accounts – and then they have the cheek to put conditions on giving us our own money back!

Tenants in Haringey are not alone in demanding direct investment without strings. All over Britain tenants are opposing stock transfer, PFI and ALMOs (the government's 'three options').

In January last year tenants in Camden became the first to reject the ALMO, voting against it by a massive 77% NO vote.

Many of the biggest trade unions are part of the campaign (UNISON, TGWU, GMB, UCATT, RMT, Amicus-MSF, GPMU). More than 250 MPs have signed one of

The government desperately hopes that ambitious councillors and senior council officials will bully tenants into submission. But around the country tenants with the support of trade unions, MPs and councillors too are fighting back. We want the improvements but we don't want a private company running our homes. Resist the blackmail. Join the national campaign to win direct investment – with no strings attached.



Haringey tenants demanding the right to vote outside the Civic Centre

THEY KNOW WHAT THEY WANT...

THE CONSULTANT
"The Consultants recommend that the Council should consider an alternative [an ALMO] which meets its shorter term objectives but which is compatible with achieving full stock transfer in the longer term."

have formulated our own views and particularly that the Treasury is comfortable. Then we will go out to the relevant private sector partners." Inside Housing, 13 June 2003

THE BANKER
"We now need to look at bringing in private finance into ALMOs. ALMOs could also be used as a transition vehicle for disengaging from the local authority control in an interim way."

Peter Williams, deputy director general of the Council of Mortgage Lenders, April 2002

THE CIVIL SERVANT
Wendy Jarvis, the head of local authority housing finance in John Prescott's office, was asked "Why not just let ALMOs operate like housing associations?"
She replied: "The housing association model is an obvious one to look at and we are looking at it...If you go to the City too soon, they won't be interested, they need something tangible...Our view has to be that it stays within the Whitehall family until we

TRADE ORGANISATION
"...if you are a council who thinks ALMO is an easy, no-change option that keeps the council in control, you are wrong."
Gordon Perry, chair of the National Federation of ALMOs, (*Housing Today*, 4 April 2003)

Haringey tenants make their views known

The opinion surveys carried out by the council have shown the consistent opposition of tenants and leaseholders to transfers of ownership and management.

In a postal survey of all residents, 54% favoured staying with the council, while only 26% supported ALMO. The roadshows showed that 67% want to hear more about stock retention, and in the telephone survey [of those who stated their opinion] 67% wanted to stay with the council, and just 18% supported ALMO.

Such magnificent figures were explained away by the Options Appraisal Steering Group as the result of ignorance about the wonders of ALMO and stock transfer.

This is nonsense. Tenants and residents know very well what is being proposed, and we do not want it. The Council should listen to and respect the voices of tenants.



"It is only four years ago that the residents of Stroud Green were presented with proposals to sell our homes off to a Housing Association. After a hugely expensive propaganda exercise Haringey was forced to abandon their plans when it became obvious that they were not just going to lose the ballot, but would have been trounced. Nothing has changed since then, and our residents' opinions remain the same. We have already said a resounding NO to privatisation, and it is shameful that we are being asked to go through this farce yet again."

■ Anne McArthur, Chair, The Woodstock Road Association

USING OUR OWN RESOURCES

There are a number of ways that Haringey Council could increase the resources available to improve our homes without the risks of an ALMO. A financial report from Housing Quality Network identifies three ways extra resources could be brought in:

Using Right-to-Buy receipts. We could have another £50 million towards decent homes if the council spent all the available RTB receipts on council housing. This money belongs to council housing – but for years Haringey have been siphoning it off to spend on other projects.

An Increase in Supported Capital Expenditure. HQN forecasts that an additional £15 million of capital resources could be gained from the London Regional Housing Board. Why aren't our councillors lobbying for this increased money?

Use of prudential borrowing: The report shows how the council could raise £20m through the new right to borrow.

Use of Assets: Many councils are looking at the sale of land and garage sites, for example, as a way to raise capital resources for housing. HQN comment: "For Haringey, we are aware that there may be a significant portfolio of such assets where value might be realised."

So, using existing resources of £126m, all the right-to-buy money, an extra £15m of regional money and a further £20m of prudential borrowing, the council would only need to raise £37m from the sale of non-housing assets, to meet the same standard as the ALMO will provide. With the standard met there will be no pressures on the day-to-day repairs budget, freeing up the necessary savings to pay for the borrowing.

WE DON'T NEED AN ALMO!

THE MONEY'S THERE

The 'Council Housing' group of MPs have produced a report showing how direct investment can be financed.

The MPs' report shows how council housing generates enough money to pay for all the improvements tenants need. In 2003/04 tenants on average paid £2,650 a year in rent but only received £1,773 in services.

(England and Wales averages: rent £2650, Management & Maintenance £1190, Major Repairs Allowance £583. Source: ODPM statistics).

That leaves £877 per tenant (£2.2 billion per year for England and Wales) that could be used to fund a massive investment programme. Government also keeps £0.55 billion a year out of right-to-

buy sales, while tens of millions of pounds are spent on consultants and hundreds of millions subsidising privatisation.

It's outrageous that the government are taking money out of council housing and then telling us we have to accept stock transfer, PFI or ALMOs to get it back!

The report in May 2004 by the Select Committee of MPs who oversee the Office of the Deputy Prime Minister criticises the government's current policy on Decent Homes and supports the call for direct investment to be made available as an option for councils.

The committee condemned the government's "dogmatic pursuit of the separation of stock management and strategic management of housing". They also said "We have not heard evidence that creating an ALMO per se enhances the achievement of Decent Homes".

Their report concluded that "The Government is in effect using the Decent Homes target as an indirect means to lever local authority housing stock out of direct local authority control, or even ownership..."

"We recommend that a level playing field between the different ownership and management options should encompass not only funding mechanisms directly related to the Decent Homes target, but also funding for wider investment purposes."

"Public financing of housing doesn't treat local authorities on a level playing field and I want to see that changed and I promised to do that and look at an enquiry into it."

Deputy Prime Minister John Prescott, at Labour party conference, September 04

"An 8-1 vote at the Labour party conference to give people what's called the Fourth Option, to let council tenants remain council tenants if that's what they want – that's what we should stick to. If you've got a ballot coming up, fight like hell to persuade people not to vote for the ALMO, because the more people who reject it the better chance we have of turning over this stupid policy."

Frank Dobson MP, October 04

Influential Committee of MPs criticise government policy and argue for change

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WE'RE WINNING THE ARGUMENT

"Choice is a key principle in government plans for public service reform. Now, our tenants, our leaseholders, have made a choice. This council has followed that choice. We listened. What we're saying to government is that they should listen to that choice too."

Cllr. Jane Roberts, Leader of Camden Council, speaking at a Camden DCH public meeting after tenants voted 77% NO to ALMO, Feb 04

"It's no longer good enough for ministers to say that PFI, ALMOs and stock transfer are the only available routes for investment in housing stock."

Sir Jeremy Beecham, Chairman of the Local Government Association, April 04

"Councilors, constituency parties, UNISON and the other trade unions gave a resounding thumbs down to the idea of stock transfer and ALMOs at Labour Party conference. We want the ability for councils to borrow to invest in improving council housing and REAL tenant choice over their housing options for the future."

Dave Prentis, UNISON General Secretary, October 04

"I and the vast majority of my colleagues across political parties and across the local authorities in the country concur with the National Labour Party policy that the government should allow a level playing field for the 4th option. We have not managed to convince the government on this one yet... but we will all keep arguing the local democracy perspective."

Cllr. Isidoros Diakides, Executive Member for Housing, London Borough of Haringey, December 04 (personal capacity)

MINISTERS ARE LOSING THE ARGUMENT AND BECOMING MORE AND MORE ISOLATED

"The Committee believes that there should be a level playing field between local authorities with retained stock, ALMOs, and stock transfer companies in terms of the mechanisms and volumes of funding available to them... it would clearly be fair for Local Authorities to receive the same levels of Government investment grants as those available to ALMOs or PFI schemes."

Q If the government has extra money for ALMOs why can't they give it to the council direct?

A Their agenda is privatisation.
Don't take the first step – VOTE NO to ALMO

TENANTS WILL HAVE LESS POWER UNDER AN ALMO

The council claims that having tenants on the ALMO Board will give tenants more power. This is a con!

At the moment individual tenants and tenants associations can lobby their local ward councillors and – as Sheffield and other tenants have done – vote them out.

The Board of Directors setup gives us a few token tenants, but they will be in a minority and their hands will be tied by company law. Ward Councillors will have the perfect excuse to blame the ALMO – and say there is nothing they can do.

Tenants who sit on the boards of ALMOs and Housing Associations find they are gagged. They are constantly told the information they receive is 'in confidence' and they can't publicise it. Many who have spoken out for the interests of tenants have been kicked off the board.

The Audit Commission has criticised

councils for "mis-selling" the role of board members: "tenants are often led to believe they will have an explicit role in representing the interest of their fellow tenants on the board" when really "the directors responsibility takes supremacy". (*Improving Services Through Resident Involvement*, June 2004).

And a recent study by a researcher from Oxford Brookes University concluded that tenants on boards are "marginalised" and "powerless", and that boards are manipulated and controlled by senior managers. (*Changing Boards, Emerging Tensions* Spring 2004).

This isn't tenants power. A strong, independent tenants movement, with tenants associations in every estate and street, is a much more effective defence of tenants' interests.

Conflict of Interest?

Don't you think there is a conflict of interest when the senior managers who are pushing for an ALMO are likely to benefit personally from pay rises if the new company is set up?

What is an ALMO?

An Arms Length Management Organisation (ALMO) is a new company set up to manage our homes. ALMOs are classed as private companies under company law. A board of directors including tenants, councillors and 'independents' will run the company. At the start the council will own the company and we will remain as council tenants.

The whole debate is about how long this situation will last. The ALMO contract is only for five years. Our argument is that setting up the ALMO company makes it easier for the government to get their way and privatise our homes completely.

"The Labour Party Conference; the majority of Party members; the majority of Council Tenants; and most Councillors across the country want Council Tenants to be able to stay with the Council, but the ODPM ignores this. It is obvious to everyone that the Government wants to sell off, or 'park' Council properties in ALMOs until they can be sold on, in order to make it easier to abolish local councils after they have been 'asset stripped'. We are seeing preparations for the 'Quango State' of undemocratic, unaccountable, unelected bodies, such as Housing Associations, running our lives."

■ Councillor Thomas Davidson

HOW MUCH WILL IT ALL COST?

It is wrong that the council is using our rents to pay for its glossy pro-ALMO campaign.

Half a million pounds that could be spent improving our homes is being wasted on consultants, glossy brochures, a roadshow, and giant adverts in the tube station, all to promote a private company that tenants have already said we don't want. They plan to waste more of our money on show homes. Money that could be spent doing the repairs we need!

To add insult to injury, the glossy brochures make misleading promises. Not only do they understate the amount that the council is able to spend out of its own resources – but they also imply that with an ALMO all estates will get a whole list of environmental improvements. That's dishonest – it's simply not feasible out of the £6million of ALMO money allocated for environmental work.

"Tenants must be given a real choice for their future including staying with the local authority. Voting for the fourth option should not condemn tenants to sub-standard properties. We believe ALMOs are bad for the future of our members and for the tenants."

■ Sean Fox, Haringey UNISON

USE YOUR VOTE

The council would like tenants to believe that the outcome of this ballot is inevitable – but it isn't.

An effective campaign can win the argument. The NO Vote in Camden shocked Ministers and housing policy makers and made MPs sit up and take notice.

If Haringey tenants vote NO too then the government is under real pressure to give us Direct Investment – with no strings attached.

IN THIS BALLOT EVERY VOTE COUNTS

SEPARATE COMPANY MAKES NO SENSE

Hiving off housing into a separate company will make co-operation across council departments more difficult. Housing has a direct effect on our health and our children's education. It makes no sense to create a separate 'housing company'. It will make 'joined up thinking' more difficult when housing managers are following a separate 'company agenda'.

What you can do...

It is wrong that the council is using our rents to pay for its pro-ALMO campaign (glossy brochures, mailshots to tenants, information vans, press adverts, videos, consultants, staff time, etc). We have to rely on donations from TAs, trade unions, and individuals to put the case against.

If you agree there should be a fair debate:

- Distribute this broadsheet to every council home
- Put up posters in your area
- Organise a meeting and invite a DCH speaker
- Raise money to pay for the campaign
- Most important... talk to your family, friends and neighbours and get them to VOTE NO

If you can help – get in touch:

Ring: 020 8888 7836, Email: pauln22@beeb.net

Write: c/o UNISON, 48 Grand Parade, Green Lanes, N4 1AG

Haringey DCH hold meetings on the 3rd Tuesday every month (15th Feb, 15th March, 19th April) at the Wood Green Labour Club, 3 Stuart Crescent, N22 (opposite the Civic Centre). ALL WELCOME

Belediye konutlarını yönetmesi önerilen ALMO (Arm's Length Management Organisation, yani Uzaktan Yönetim Kuruluşu) en başından itibaren özel bir şirket olacaktır. ALMO planı binlerce konutun hemen Konut Derneklerine (Housing Association) aktarılmasını öngörmektedir. Konutların özelleştirilmesine karşı çıkan kiracılara siz de katılın. ALMO'ya HAYIR oyu kullanın!

MOUCHEL PARKMAN: FULLY EXPLOITING COUNCIL TENANTS

Haringey's so-called "independent tenant advisors" are a firm up to its neck in multi-million privatisation deals.

Consultancy firm Mouchel Parkman have been appointed as the "Independent Tenants Advisor" for the future of our 20,000 homes.

With a £724 million order book, Mouchel Parkman are taking over public services wherever they can. They hold management contracts for 11,000 council homes in Hackney and almost 2,000 in Westminster (subbed out with 'CityWest Homes' ALMO!!), and are also running signalling contracts on the tube.

Mouchel Parkman say that they want to "exploit the opportunities" of the public-private partnership marketplace. We might as well ask highway-



men about crime prevention!

The "Independent Tenants' Advisor" will take £80,000 of the half million cost of the Stock Options Appraisal – and all from Haringey tenants' rents. (Source: www.mouchelparkman.com)

For more information contact Haringey Defend Council Housing TEL: 020 8888 7836 WRITE: c/o UNISON, 48 Grand Parade, Green Lanes, N4 1AG

EMAIL: pauln22@beeb.net SEE ALSO National WEBSITE www.defendcouncilhousing.org.uk

Thanks to Haringey UNISON and UNISON's General Political Fund for sponsoring this broadsheet so tenants hear the case against ALMOs

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