

Defend Council Housing

www.defendcouncilhousing.org.uk



NO PRIVATISATION DEFEND TENANTS' RIGHTS

Attacks on our tenancies, rents and benefits are threatening Council tenants across the UK. The Bedroom tax is driving people into debt and hunger and out of their homes.

Government says the majority of new homes for rent they fund in 2015-18 will have up to 80% market rent. Most will also have fixed term tenancies.

Tenants demand Councils reject this. Council tenants have a right to a permanent home, not just a temporary place to put your head down. Not having a secure tenancy or having to pay higher rents will increase the poverty trap and undermine stable families and communities.

Council housing is not subsidised. Government has robbed £68 billion in rents and receipts over 34 years – £2 billion a year. Sell offs, market rents, fixed term tenancies, and cutting access to waiting lists and other rights, undermine and destroy the tradition of public housing.

Private developers including housing associations, want to get their hands on councils' publicly-owned

land and buildings, replace them with high cost private housing, and push out anyone who can't afford it.

They are threatening to destroy council housing and the rest of the welfare state by cuts, sell offs and privatisation.

Council housing should be a choice, available to all who need or want to rent as an alternative to the failing private market. We need more council housing – not more expensive private housing most can't afford.

Secure tenancies, really-affordable rents, decent standards and an accountable landlord are more important now than ever.

Investment in a major programme of improved and new council housing is the alternative to the Bedroom Tax and benefit cuts, as a way to create the homes we need and bring down rents.

We need a new generation of first class, energy efficient council homes with secure tenancies and low rents. Tenants, trade unions, Councillors and MPs need to reject use of fixed term ('flexible') tenancies and up to 80% ('Affordable') rents as an alternative.

"Instead of subsidising slum landlords let's build the council housing we need. Instead of Bedroom Tax let's have a Mansion Tax."

**Frances O'Grady,
TUC General Secretary**



Frances O'Grady at TUC Congress.

TUC congress 2013 supports:

- Abolition of Bedroom Tax and benefit caps
- Direct action against evictions due to benefit cuts
- A national demonstration against attacks on benefits
- A mass programme of council and other house building

Picture: Jess Hurd / reportdigital.co.uk

Vote No to privatisation

A few Councils are still trying to sell off council housing to a Private Registered Provider (housing association). This is privatisation. And it's not in tenants' interest.

Councils pour money into glossy brochures and road shows promoting a 'yes' vote for stock transfer. They don't want you to hear the case against.

Transfer means selling our homes to a private landlord. It is privatisation. It carries big risks: a change to your tenancy, higher rents and charges, and no democratic control.

Often it is driven by senior managers who manipulate financial figures to paint a desperate picture. They want to end Council control over our

"There are additional grounds for possession available to the new landlord that may be used against existing tenants in the event that the transfer goes ahead." Government guidance on Consultation before disposal to private sector landlord

homes, often with jobs and big pay rises for themselves if privatisation goes through.

Legally and in practise the new landlord is in the private sector. Most housing associations are run as big businesses, with land speculation, bond issues on the stock market, and 'for profit' arms building private housing for sale.

Transfer puts our homes at increased market risks, with banks and lenders calling the shots.

Accountants' regulator the Financial Reporting Council, says auditors must consider the business risks posed by housing associations' increasingly commercial activities, in new guidance issued this January.

Tenants have a vote, and a united campaign can stop privatisation. Organising with trade unions and councillors and MPs who support us, we can get the word out door to door, and explain why tenants should vote No. In Salford, Gloucester, Lewisham, Durham or Lambeth, together we can keep their hands off our homes.

■ See pages 2-3

End the Bedroom Tax: No evictions

Anti Bedroom Tax and benefit campaigns across the UK have exposed this unjust and unworkable attack on tenants. On 5 April protests across Britain are demanding: End the Bed Tax now!

Many can't pay, alongside Council tax and disability benefit cuts and sanctions. Others are going cold and hungry trying to.

Tenants have pushed Councils all over Britain not to evict people in arrears due to the Bed Tax and benefit cuts. But some landlords continue to

send out Notices Seeking Possession – the first step to eviction.

Campaigns are organising support, lobbies and protests to stop evictions and axe the Bedroom Tax.

■ See back page



INVEST IN COUNCIL HOUSING

Defend Council Housing

“ The housing crisis must be tackled and councils can play a crucial role in building new homes to rent. The economy would be further strengthened by re-fits to reduce energy inefficiency. To continue as we are is not an option and Unite will join others determined to fight for housing our members and their families so desperately need.”
Gail Cartmail, Assistant General Secretary, Unite the union

“ We need to tackle the crisis of affordable rents. Housing associations charge too much, and Councils charge too much. Rent convergence has pushed up rents.”
Chris Williamson MP

“ The Bedroom Tax is not about under-occupancy, it's not about saving money. It's a class issue: they want to make poor people, disabled people, suffer. We want to repeal it now. People are getting into debt and arrears – people can't afford it.”
Ian Lavery MP

“ We are crying out for a massive council house building programme to end the misery of homelessness and inadequate housing, which is blighting the lives of millions of people. Council housing building creates skilled jobs and any such programme should be linked to the requirement to train apprentices, the workers of the future.”
Steve Murphy, General Secretary, construction union UCATT

“ What we need is a funding regime which measures up to tackling the housing crisis. That means national subsidy for building new Council rents, abandoning the bogus 'debt' of the 'self-financing' system, and rents which are genuinely affordable.”
Martin Wicks, Swindon DCH

“ We desperately need a serious programme of council house building to help alleviate the current housing crisis. Not more privatisation. The government has made the crisis more acute by cutting billions of pounds of funding, abolishing home building targets and creating uncertainty for local authorities. It could and should be making capital funding available to them, so more genuinely affordable homes can be built as a matter of urgency.”
Dave Prentis, General Secretary, Unison

“ When we transferred from the council to a so called local housing association we were promised that our rights would be protected in the transfer document but they never were. So we have had to endure replacement of local staff and the destruction of tenant groups plus the partnership turned into a take over then a merger.”
Bill Pearson (Inside Housing online), East Lancashire tenant

“ A decent home you can afford, is a right not a luxury. It's essential to health, to children's schooling, and to stable jobs and communities. Instead of Government subsidies to millionaire landlords, we need to free Councils from historic debt and get building a new generation of well-designed, energy efficient, council homes for rent.”
Paul Kenny, GMB General Secretary

WHY TENANTS SAY: NO PRIVATISATION!

Tenants, unions and politicians in a united campaign can stop privatisation of council housing. Make sure tenants hear the case against, get Vote NO leaflets and discuss the case against transfer in meetings, lobbies and the media.

TRANSFER MEANS PRIVATISATION

Housing associations (now called Private Registered Providers PRP) are private companies in law. Talk of 'not for profit', community-owned or co-operatives is window dressing: it does not change the legal fact. They are increasingly run as big businesses, with bond issues, land speculation and 100 per cent 'for profit' house building. Banks, lenders and the balance sheet rule. Their borrowing is more expensive, they pay VAT (unlike Councils), and are not subject to Freedom of Information (FOI).

LOSS OF SECURE TENANCY

Council 'secure' tenancies are lost after transfer. Housing associations/ PRPs say their assured tenancy gives equal security but these promises are not statutory rights and can be overruled in court. And new tenants won't get these protections. Many PRPs are rushing to use fixed term tenancies and up to 80% market rents for new tenants. This will break up communities, and divide tenants, and could be the first move to higher rents and less secure tenancies for all.

For more on the case against transfer see: www.defendcouncilhousing.org.uk

MORE EXPENSIVE

Housing associations/PRPs pay more for borrowing, have higher management costs and gross fat-cat salaries. The Public Accounts Committee of MPs found it costs £1,300 more to improve each home through stock transfer than if the Council do the work.

HIGHER RENTS AND CHARGES

Rents, service and other charges are much higher than council rents. Council secure tenancies legally guarantee a 'reasonable' rent. Housing associations/PRPs are allowed by law to charge a market rent. Many are forcing new tenants onto fixed term tenancies and up to 80% market rents.

MERGERS AND TAKEOVERS

Many transfer PRP landlords are taken over or merged into bigger companies: around one in 15 since 2005, including many council transfers. Tenants have no say. Your vote on transfer is the last real one you get – after that business interests decide. Decisions after transfer are dictated by the business plan. Local control is a broken promise.

ACCOUNTABILITY LOST

We can lobby councillors, and vote them out if necessary. This direct democratic relationship is lost through transfer. Housing associations are run by a board of directors. All are legally accountable to the company and bound by secrecy. Having tenant and councillor Board Members is a con. At the time of transfer tenants are often led to believe that there is an explicit role in representing the interests of their fellow tenants on the board. This is not compatible with the accepted principle that as board members they have to work for the principles of the organisation' (Audit Commission, June 2004)

RISK

Housing associations and PRPs are today big business. Many have thousands of homes regionally or nationally, and diversify into for-profit and non-housing businesses. Local PRPs are often swallowed by big companies a few years after privatisation. They chase profits (or 'surpluses') through private development. Transfer tenants have seen take overs and mergers within weeks. Promises in the offer document are meaningless; they are a contract between landlords and are not enforceable by tenants. Transfer is a one-way ticket. If things go wrong there is no return.

Stop the robbery: write off the debt

The decentralisation of council housing finance in April was supposed to hand back control to Councils. But there are big strings attached. The millstone of historic debt – which tenants should no longer be paying – sucks out money which should be used to manage and maintain homes and estates in the long term.

In December growing protests forced the Chancellor to raise the borrowing cap on Council housing revenue accounts marginally.

Self financing is now an incentive to push rent rises well above inflation. Underfunding of the original settlement is already putting Councils under pressure to cut repairs and improvements, sell off land and homes, force up rents or privatise.

Rent pressure and borrowing are in part dictated by the vastly-inflated level of 'historic housing debt' forced on Councils as part of the April 2012 settlement.

Historic debt – the cost of borrowing to build council housing, and for new ALMO investment from 2000 – has been manipulated by Governments.

Stock transfer and right to buy receipts should have reduced the total debt from 1979. And the figure did fall steadily from £20 billion (1996-7) to £12.7 billion (2004-5). But it rose to £19 billion by 2010, and to £28.4 billion in the final settlement with Councils.

Tenants do not have direct ownership of their homes, which are a public asset; Government does not try to recover the cost of subsidy to mortgages, or stock transfer landlords, and receipts have paid the 'historic debt' many times over.

The debt of over £28 billion distributed to Councils in the self-financing settlement should be written off, in return for a commitment to fund a new mass programme of local council housing investment.



Tenants and unions together for public services and jobs, October 2013.

Rent robbery built in

From 2003/4, after grass-roots campaigning brought an end to 'Daylight Robbery', we were subjected to 'negative subsidy', or 'Moonlight Robbery'. Supposedly to pay for the historic national housing debt, all councils with an HRA surplus had to pay a proportion of their rents, sometimes almost 50%, to the Government.

Between 1994/5 and 2008/9 council tenants paid a total of £91 billion in rent, of which the government withheld £31 billion [Figures from Parliamentary Question 04350436 06/07, and CLG subsidy determination schedules].

The break-up of national Council housing

finance in 2012 was supposed to end the rent robbery. But the Treasury's final 'self financing' settlement with Councils included a total £28.4 billion 'debt' bill added to local Council housing revenue accounts.

This includes a cash receipt to the Government of about £6.5bn – "which represents a share of future net rental receipts 'up front'" (Chartered Institute of Housing, February 2011).

Robbery is built into the underfunded 2012 settlement. We demand debt write off instead of huge rent rises.

End the ALMO two-stage threat

Leeds and Sheffield Councils have both taken back direct housing management, ending the Arms Length Management Organisation (ALMO). Housing will be run as a directly-accountable council service.

But Gloucester is the latest council pushing its ALMO to full 2-stage privatisation. Tenants were sold ALMO as an alternative to privatisation, and a way to bring in extra funding.

Gloucester council is trying to push stock transfer, making false promises that tenants will keep control.

This is a cover story to disguise the facts and discourage a campaign against stock transfer. Whatever name they use, transfer to a new landlord is privatisation. Tenants will no longer have council tenancies and rights, and staff will not be public sector employees. (Case against transfer, opposite).

In Northampton the Council has backed off stock transfer, in face of determined tenant opposition. But the Council are imposing an ALMO, with no ballot and no extra funding. This brings the threat of full privatisation later.

ALMOs were created as a two-stage privatisation option, in the face of determined and growing opposition to stock transfer.

Now the ALMO programme has ended and no further funding is available. Councils including Ealing, Slough, Sandwell, Rotherham and Newham have or are bringing their ALMO back in house.

Bringing housing management back 'in house' as a directly-accountable council service, cuts out the extra cost of duplicate management, and is better protection against further privatisation. There should be a full democratic debate on the future of ALMOs. We say bring housing management back in house, end the threat of two-stage privatisation and build a united campaign for investment in council housing.

Beware – fat cats, mergers and service charges

■ Thamesmead protestors outside their housing association HQ in Kent (see right). Protestors say: 'Service Charge: all charge and no service.' John Wroe, of Thamesmead, says: 'The trust has gone. We don't trust their investing and accounting. Nothing they have done is transparent. Nine times out of 10 you are just ignored.' Gallions Housing Association awarded its last chief executive a £397,000 payoff in Dec 2013, to clear the way for merger with Peabody.

■ Affinity Sutton housing association are charging £200 a week for a one-bed flat. A man on a normal rent tenancy was moved to the ground floor and they shifted his tenancy to 'Affordable Rent' of £200 a week.

■ Helena Partnership, based in St Helens, and Warrington-based Golden Gates Housing Trust are discussing merger in a new 22,000-home group as subsidiaries with a single group board.

■ The Tenants' and Residents' Organisations of England reports a big



■ The Grand Union Housing Group of Bedfordshire has raised £115 million on the bond market, to part-finance new build development. The association issued £150 million worth of bonds, of which £35 million were retained.

■ Bedfordshire Pilgrims Housing Association's five non-executive directors were paid £143,000 in 2012/13, and chair Stephen Hallett received £52,000.

■ The Tenants' and Residents' Organisations of England reports a big

rise in complaints from tenants, on loss of a voice due to housing association mergers, takeovers and changes in group structures. Tenants make 10 or 12 complaints a month, compared with one or two a month a few months ago. 'We have had a number of complaints about organisations changing the way they talk to tenants without asking the tenants,' said TAROE chair Michael Gelling. In some cases housing association landlords derecognised long-running panels on which tenants sit, to save money.

Ensure a fair campaign

Councils often try to win a vote for sell-offs by spending a fortune on one-sided publicity promoting stock transfer, and giving inaccurate information.

Salford council, for example, want employees to tell tenants a proposed stock transfer is 'a new form of public ownership'. This is false and can only mislead tenants.

Dirty tricks have included changing the date or calling a vote at short notice, taking down 'Vote No' posters and attacking anyone who campaigns against sell-offs, and refusing opponents access to addresses of all those

entitled to vote. Demand your Council sticks to the rules. Councils must now follow a legally-binding code of practice, after protests.

Councils promoting transfer must: ● Give a full fair and objective picture. "Local authorities should ensure that the information provided gives a full, fair and objective picture of the proposed transfer..." (Annex 1:3).

● Explain rights lost. "The [offer] document should explain that, although transferring tenants will have broadly similar rights, some rights will be lost while others will be

provided by contract rather than by statute." (para 16).

● Eviction. "There are additional grounds for possession available to the new landlord that may be used against existing tenants in the event that the transfer goes ahead and these should be explained." (Annex 1: 20). From: *Consultation before disposal to private sector landlord: statutory guidance*, CLG, July 2009.

■ See: <https://www.gov.uk/government/publications/consulting-council-tenants-about-selling-their-homes-to-a-private-landlord-statutory-guidance>

Affiliate and order material

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

Tick required and indicate how many copies and amount

<input type="checkbox"/> copies of DCH newspaper £20 per 100 / £120 per 1000	£.....	<input type="checkbox"/> Annual subscription to Campaign Mailings & Briefings £15	£.....
<input type="checkbox"/> copies of 'Case for Council Housing' pamphlet £10 (or £2.50 for individual tenants / bulk orders)	£.....	<input type="checkbox"/> Posters £1 for 10, £7 for 100	£.....
<input type="checkbox"/> copies of House of Commons Council Housing group report 'Council Housing: Time to Invest' £10 (or £5 for orders of more than 10 copies)	£.....	<input type="checkbox"/> Affiliation fee	£.....
		<input type="checkbox"/> Donation	£.....
		TOTAL	£.....
		<input type="checkbox"/> Anti Bedroom Tax information	

Name.....
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 Organisation.....Position.....
 Tel No(s).....Email.....

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

Defend Council Housing

“Resisting at all cost. The Government is hell bent on doing the opposite of solving housing shortages. Lower rents enabling people to pay, preventing people having to go on to housing benefits would be far better. Provide what is needed: affordable housing.”
Alan Rickman,
TACT, Winchester
tenant

“Council housing is more important than ever. This is no time for stock transfer privatisation which increases the risks but doesn't build the homes we need. This is the time to invest in Council housing – to modernise existing homes, and build 100,000 new council homes for all those who desperately need them. Council housing is a good investment for all of us.”
Austin Mitchell MP,
Chair House of Commons
Council Housing Group



Design: Smith + Bell Design. Print: Iliffe Print Cambridge



Picture: Socialist Worker

Anti Bedroom Tax and Benefit Justice campaigns from across Britain met in Birmingham to organise an end to the Bedroom Tax in 2014.

End bedroom tax now

Tenants and councillors across Britain are part of a big tide of opposition to the Bedroom Tax and other benefit cuts. New groups are organising around Britain as arrears and determination rises.

The Scottish Parliament has voted to refund Bedroom Tax cuts to every tenant in Scotland. They and several Councils in England are demanding scrapping of the Bedroom Tax.

A UN special mission report also attacks the Bedroom Tax. Alongside legal challenges and wide trade union support for the tenants' campaign, are strengthening the determination to resist, and to stop any evictions.

A long and growing list of Council and other landlords are agreeing not to evict tenants in arrears due to the Bedroom Tax and other benefit cuts. Some are re-designating bedrooms to help tenants avoid the Bed Tax.

'Untenable'?

A Welsh housing association is at loggerheads with a council over the association's refusal to adopt a 'no-evictions' policy for tenants hit by the bedroom tax.

Rhondda Cynon Taf Council in south Wales passed a motion last week committing to make 'formal representations' to social landlords not to evict tenants who entered arrears as a result of the bedroom tax.

But RCT Homes chief executive Andrew Lycett said it would be 'untenable' not to evict tenants who build up serious arrears as a result of the policy.
Inside Housing, 8 November 2013



Councillors against the Bedroom Tax have launched an open statement: [http://www.defendcouncilhousing.org.uk/dch/resources/Councillors vBedTax2.pdf](http://www.defendcouncilhousing.org.uk/dch/resources/Councillors%20vBedTax2.pdf)

Tenants and disabled peoples groups, trade unions, community organisations, women's and pensioners' organisations, are part of a united campaign against the Bedroom Tax and Benefit cuts.

Pressure from campaigns has punched holes in the policy, including exemptions for foster carers and people on military service; definition of a bedroom by its use and size. The pre-1996 rule means Bed Tax does not apply to long term tenants on housing benefit. And more challenges are underway.

Everyone can apply to the Council for Discretionary Housing Payment, and challenge, appeal, and resist. Tenants' organisations need to take a lead, and join with trade unions, campaigners, councillors and MPs to demand abolition of the Bedroom Tax.

Cap rents not benefits and invest in council housing, as the alternative to evictions, homelessness and soaring rents.

The Anti-Bedroom Tax and Benefit Justice Federation: benefitjustice@gmail.com

Get your MP to sign EDM 662

EDM 662: UNDER-OCCUPANCY PENALTY

"That this House recognises that the bedroom tax, spare room subsidy, is unjust, discriminates against disabled and sick people, carers, separated parents, grandparents, the low paid and the poorest, will not reduce homelessness or housing benefit spending as claimed, and puts financial and social strain on communities, landlords and local authorities; and calls on the Government to suspend the policy pending a review of its impact and effectiveness, which should consider writing off the tenant and landlord arrears it has caused."

Its primary sponsor is Austin Mitchell, with sponsors Jim Dobbin, Alan Meale, Margaret Ritchie, Jim Shannon, George Howarth and signed by 70 MPs.

<http://www.parliament.uk/edm/2013-14/662>

What we say

● **Cap rents not benefits: abolish Bedroom Tax and benefit caps and regulate private renting**

● **Invest in council housing: remove historic debt for councils to improve and build new**

● **No Flexible (fixed term) tenancies and (un)Affordable Rent – we demand secure tenancies and rents that are really affordable**