

Defend Council Housing



January 2009 35p



Two and a half million existing council tenants, supported by trade unions, councillors and MPs, are determined to win improvements and a long term future for council housing. Our 'secure' tenancies, low rents and a landlord we can hold to account are more important today than ever.

1.6 million households on council waiting lists show there's strong demand from a broad cross section of our community for government to build a new generation of first class council homes. Many of us also have grown up children who can't move out from under our feet and would jump

at the chance of a secure council tenancy too.

Pushing more people in Britain into home ownership by refusing to invest in first class council housing and proposals to undermine council 'secure' tenancies would be to repeat the American disaster. Millions are destitute at the hands of a housing policy based on the dogma of 'ownership' and the private market.

BLACKMAILING TENANTS

It is outrageous that successive governments have been siphoning money out of council housing for years and then trying to blackmail tenants to accept privatisation in

return for improvements. Government's commitment "to ensure that we have a sustainable, long term system for financing council housing" through its Review of Council Housing Finance is welcome, but we need a settlement this year and don't want the national council housing sector broken up (see page 4/5). In the meantime we demand an immediate moratorium on further privatisation.

START BUILDING

Tenants, trade unionists, councillors and MPs are calling on government to stop the robbery, ring-fence resources for council housing at na-

tional level, provide a level playing field on debt-write off and gap funding and fully fund allowances to councils so that they can manage, maintain and repair their homes and start a massive council house building programme.

LISTEN TO THE PEOPLE

We want to make council housing once again a tenure of choice to stand alongside a first class National Health Service, good local schools and other public services we can be proud of. We need council housing to provide an alternative to the instability and insecurity of the market.

It's time that politicians listened to the people: investment in first class council housing makes more sense than ever!

Stop privatisation, improve existing and start building a new generation of first class council homes with 'secure' tenancies, low rents and a landlord we can hold to account!

This isn't a spectator sport – we need your help to win!

■ Come to Parliament 25 February to support the new enquiry organised by the House of Commons Council Housing Group into funding allowances for council housing. See page 3.

INSIDE:

● Stop privatisation: the case against stock transfer **see page 2**

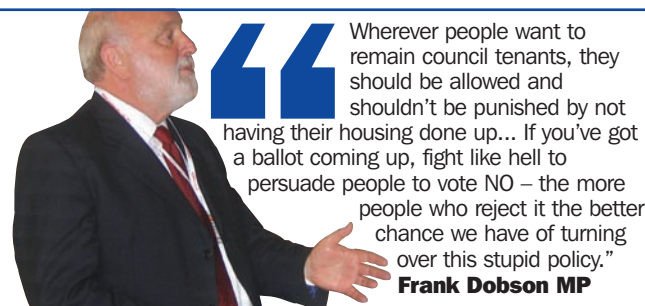
● Improve existing – fully fund allowances at 'level of need' **4-5**

● Oppose means testing and time limits **6**

● Uniting the council housing family **6**

● Organising effective campaigns **7**

● Build new council housing **8**



“Wherever people want to remain council tenants, they should be allowed and shouldn’t be punished by not having their housing done up... 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

“It is time that government settled up on the ‘Fourth Option’ to fund improvements, a sustainable future for 2.5 million existing council tenants and to enable councils to build a new generation of first class council homes to provide secure homes with low rents which the private housing market is incapable of doing.” **Billy Hayes, general secretary CWU (communication workers)**

“Tenants have fought hard to stop government robbing our rents. We aren’t going to sit back and let councils opt out of the national HRA so they can rob our rents locally instead! We need full accountability and transparency over every penny that belongs to council housing – and all of it must be put back into improving council housing.” **Eileen Short, Tower Hamlets Tenants Against Transfer**

“I am proud of the fact that tenants in my local authority area chose, despite every inducement possible, overwhelmingly to reject the idea of selling off the council’s stock... It is only right that we listen to such tenants.” **David Drew MP**

“The government’s recent pronouncements have offered a tantalising glimpse of a renaissance for council housing... eco-friendly homes built and maintained by local authorities to high standards – with people on low incomes and the more affluent living side by side – could, once again, become the option of choice rather than a last resort.” **John Bibby, director of housing and community services, Lincoln City Council**

“GMB wants to see a significant programme of new council house building and direct investment to make sure all council homes are excellent family environments. It’s time for government to act.” **Brian Strutton, national secretary GMB**

Demand fair, balanced debate and full democratic rights

Many councils try and fix the outcome of stock transfer ballots by spending a fortune on one-sided propaganda; changing the date or calling ballots at short notice, taking down material opposing their proposals; refusing opponents access to addresses of all those entitled to vote, etc.

In the debate on the Housing and Regeneration Bill junior Housing Minister Iain Wright promised MPs that the government would introduce a code of practice to rectify this democratic deficit.

Make sure that council tenants aren’t treated like second class citizens on standards of democratic debate and process. Demand that Ministers adopt the Code of Practice set out in the Council Housing group’s ‘Consultation Principles’ amendment to the Bill sponsored by 52 MPs.

2.5 MILLION COUNCIL TENANTS WON’T BE BULLIED

Tenants in more than 200 authorities are sticking with council housing. We have the most security and legal rights, the lowest rents, the most accountability over our landlord and the most direct influence through the ballot box.

Despite decades of Government robbing our rents, starving us of repair and improvement funding, as blackmail to drive us to privatisation, with the private housing market in melt down and housing associations going broke, we know council housing is worth hanging on to more than ever.

STOP THE BULLYING AND BLACKMAIL

Government has been using the lack of investment in council housing to blackmail and bully tenants to accept privatisation.

Now Ministers accept that funding has to change and are conducting their Review of Council Housing Finance “to ensure that we have a sustainable, long term system for financing council housing” (see p 4 & 5). But at the same time they are pushing councils to do another round of privatisation, beginning with new ‘Stock Option appraisals’. This doesn’t make sense! How can a council cost up the alternatives and go through a charade of asking tenants to choose until we know the outcome of the review?

DEMAND MORATORIUM NOW

If your council is considering or conducting a Stock Options Appraisal (or worse still proposing to ballot tenants on stock transfer or selling homes and land) demand a moratorium – that they put their plans on hold – until the review reports and has been fully evaluated.

ENSURE STOCK OPTIONS DEBATE FAIR AND BALANCED

Councils employ expensive consultants to write reports assessing the investment needed to bring all homes up to standard (a lot) – and setting this against predicted income (not enough). Then they may use these figures to try to drive through privatisation options – claiming this is the only way to get improvements or fund future repairs.

ALMO TENANTS BEWARE!

The first authorities with ALMOs are now proposing to privatise their homes (see page 6).

CHECK WHAT YOUR COUNCIL IS DOING – AND CHALLENGE THEM:

● Democracy – is the options group representative, or hand-picked and exclusive?

Are resources available for both sides to put their case to all tenants so that there’s a fair and balanced debate, followed by a ballot?

● Challenge the financial case. What assumptions are made about income (allowances) and expenditure? Are they taking into account commitments from Ministers to make council housing sustainable? Check for figures inflated up or down to suit their argument.

● Check the facts for empty promises. Privatisation puts tenants at risk, often means homes for sale being built on our kids playgrounds or other open spaces.

● We pay enough rent to manage and maintain our homes (see pages 4/5) – Councils need to back our fight for direct investment.

● Don’t let the council muddle up the financial and the political arguments and present their views as ‘facts’ whilst altering

native views are ‘propaganda’ and ‘lies’. ● So-called ‘Independent Tenants Advisors’ or ‘Friends’ are rarely independent or ‘tenants’. Most make their living by ‘helping’ councils organise stock transfer.

EXAMINE COUNCIL’S FINANCIAL CASE

Examine council’s financial case critically and consider how the council could make a case for the ‘Fourth Option’ locally, to feed into national picture – ask them to join with other councils and tenants to press the government for change.

KEY QUESTIONS

a) Do plans reflect tenants’ priorities (government and council priorities are not necessarily the same as ours)?

b) What can council do using available resources?

c) Are all available receipts (money from sale of council homes, other buildings or land) spent on council housing?

d) Are services (waste and cleansing, highways, community safety, social services etc) being charged to the Housing Revenue Account which shouldn’t be? “Tenants feel that they are paying twice for some services, through council tax and through their rents... some stock transfers would have been unviable if [these] extra costs had been included.” (‘Narrative 5: HRA Rules’, from the government’s Review of Council Housing Finance, June 2008).

e) Is your rent also being siphoned off by government from your council; and how much will government pay to write off housing debt to subsidise stock transfer?

● See DCH website for more on ‘stock options’.



Lobbying Parliament

THE CASE AGAINST TRANSFER

TRANSFER MEANS PRIVATISATION

Housing associations (‘Registered Social Landlords’) are private companies in law. Talk of ‘not for profit’, community-based ownership or co-operatives is window dressing to disguise these basic facts. The Housing Association sector is increasingly run on commercial principles and is driven by mergers and takeovers. “England’s largest housing association has held talks with the Housing Corporation about floating the company on the stock market...” (Inside Housing, 5 January 2007). Many have lobbied Parliament to be able to change into profit-making companies.

LOSS OF SECURE TENANCY

Council tenants’ ‘secure’ tenancies are lost after transfer. Housing associations promise that their tenancies give equal security with the rights we have as council tenants but these promises don’t have the same force in law as

statutory rights; and importantly, new tenants won’t get these extra promises.

MORE EXPENSIVE

Housing Associations pay more for borrowing, have higher management costs and pay fat-cat salaries (some over £200,000). The Public Accounts Committee of MPs found that stock transfer costs £1,300 per home more to improve than it would have cost under local authority control.

HIGHER RENTS AND CHARGES

Housing Association rents and charges are much higher than council rents. Our council ‘secure’ tenancies guarantee us the legal right to a ‘reasonable’ rent. Housing associations are allowed by law to charge a market rent and their trade body is lobbying government to be allowed to increase their rents faster (‘Building Neighbourhoods’, National Housing Federation, September 2007). Government has

been trying to ‘converge’ council and Housing Association rents but their plans are now in disarray. Ministers have now put back rent convergence three times. Originally 2012 they’re now aiming for 2024 (or never)!

LESS ACCOUNTABILITY

Individual tenants and tenants associations can lobby our local ward councillors and, if we don’t like the way they run our homes, vote them out. This direct democratic relationship is lost if we are privatised. Housing associations are run by a board of directors who are legally accountable to the company. Having tenant Board Members is a con. “At the time of transfer, tenants are often led to believe that they will have 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” (‘Housing: Improving services

through residential involvement’, Audit Commission, June 2004).

RISK

Housing Associations are huge, increasing regional or national businesses diversifying into non housing activities. Many ‘local’ associations get swallowed up by monolithic big companies a few years after ‘transfer’. Private landlords want to get their hands on the land our estates are built on. One fifth of transfer associations get into difficulty (Society Guardian, 25 May, 2005). Tenants in south London, privatised by Presentation Housing Association, were horrified to find out just weeks after stock transfer that their new landlord was forced into a merger “after it failed to prove it could generate enough income to cover its loan repayments” (Inside Housing, 31 October 2008). If things go wrong, there is no return. Transfer is a one-way ticket.

● See DCH website for more on the case against stock transfer.

Winchester Tenants view with concern the possibility that tenants paying negative subsidy, and those receiving subsidy could be led into a divide and rule situation by councils and central Government. This must not be allowed to happen. Our strength comes from being united this is why we have come as far as we have. We are keeping up the pressure in Winchester, as we can see cracks appearing. So we are keeping the council on its toes. We have come this far and do not intend to give up now."

Alan Rickman Chair of TACT Evening Group



CONFERENCE SHOWS DETERMINED MOOD

One hundred and ninety-six delegates from 51 areas took part in the DCH National Conference on 25 November. Speeches from the platform, discussion in the workshops and the final plenary debate demonstrated the breadth, depth and determination of the campaign.

Tenants Linda McNeil (chair Leeds Tenants Federation), Alan Rickman (chair Winchester TACT) and Alan Walter (Camden tenant and DCH chair) were joined on the opening platform by MPs Austin Mitchell, Frank Dobson and Paul Holmes, Professor Peter Ambrose and Weyman Bennett from Unite Against Fascism. Jack Dromey (Unite deputy general secretary) spoke in the morning whilst Heather Wakefield (UNISON head of local government) and Wilf Flynn (UCATT Executive) spoke in the afternoon. Steve Hilditch and Steve Partridge introduced a session and workshop on the Review of Council Housing Finance.

Go to DCH website for a full report and to download extensive conference papers.



caption

Picture: Andrew Ward

What you can do:

Sign up to the campaign's demands:

- End the robbery and fully fund allowances for first class council housing;
 - Stop any further privatisation and expensive 'stock options' appraisals;
 - Defend 'secure' tenancies against mean testing or time limits;
 - Demand government fund a new council house building programme.
- Order copies of this newspaper to distribute widely to tenants, trade unionists, councillors and others in your area (£20 per 100 / £120 per 1000 copies – bigger discounts negotiable);
- Get your organisation to affiliate to Defend Council Housing, subscribe to postal mailings and register on website for email broadcasts;
- Help organise opposition to any proposals to privatise homes or asset strip public land for private housing;
- Organise a public meeting in your area to back the campaign's demands;
- Organise a delegation of tenants, trade unionists and councillors to come and give evidence to MPs at Parliament on 25 February;
- Ask your MP to sign the new Early Day Motion (see page 7).

Alive and kicking

In 2000 many pundits prematurely predicted the 'end of council housing' after government bullishly published a target of privatising 250,000 homes a year. They told us opposition was futile! Eight years on there are still 2.5 million council homes across the UK.

Ministers have promised their Review of Council Housing Finance will "ensure that we have a sustainable, long term system for financing council housing" – and building new council housing is being discussed around the country!

A national housing revenue account must be maintained for redistribution and making sure there are fair shares... there should be allowances for management, maintenance and repairs that are up to the job of keeping council housing in good condition – beyond the Decent Homes standard... capital investment should be within the HRA and there should be a level of debt write-off... and a new build allowance built into the HRA... We are behind your campaign and obviously there should be a moratorium on stock transfers.

We all have to keep the pressure up on government to make sure that the Review of Council Housing delivers something real."

Heather Wakefield, UNISON Head of Local Government



The credit crunch reinforces everything we've said about the need for direct investment in first class council housing. Now is the time to step up our campaign to negotiate a settlement that secures long-term resources to guarantee a strong financial future for existing council housing and a massive new council house building programme. We need your help to do it – support this campaign!"

Alan Walter, chair, Defend Council Housing



Leeds Tenants Federation is launching a campaign for fair rents and decent homes. Leeds Council tenants are paying about a quarter of their rent to the government and never seeing the benefit in repairs or better services: about £1,000 a year less.'

'The national Housing Revenue Account should be ring fenced. Rents should be set at a level working people can afford. Tenants should see what we are paying for – see a clear link between rent and services. Means tested rents should be resisted by everyone in the tenants movement. The tenants movement cannot allow their tenancy agreements to be watered down. A national lobby of parliament and a tenant-led national conference would allow our united voice to be heard.'

Linda McNeil, chair, Leeds Tenants Federation



COME TO PARLIAMENT: 25 FEBRUARY

The House of Commons Council Housing group is holding a new inquiry session to gather evidence to support the arguments for fully funding allowances for Management & Maintenance and Major Repairs and for a 'level playing field' on gap funding and debt write-off.

Evidence will be presented to Housing Minister Margaret Beckett and the Review of Council Housing Finance team.

Get tenants organisations, trade unions and local authorities to submit written evidence, answer the MPs questionnaire and organise a delegation to come to Parliament 12-8pm on 25 February 2008 to give verbal evidence.

Further information from Austin Mitchell MP, chair, House of Commons Council Housing Group, House of Commons, London SW1A 0AA mitchellav@parliament.uk



Defend Council Housing

Hands off our homes

SAY NO to privatisation

Defend Council Housing, PO Box 33519, London E2 9WW
info@defendcouncilhousing.org.uk
www.defendcouncilhousing.org.uk



There is but one way to go and that is for government to intervene, because the market has failed. Council housing is not just our history but our future. The tide is beginning to turn – one Scottish council alone wants to build a thousand new council homes. But the tide is not moving fast enough. The government needs to put new money in. But we also need to completely change the rules in relation to council housing finance... council tenants' rents should go back into council housing."

Jack Dromey, UNITE deputy general secretary

Government needs an urgent rethink on traditional labour party policies and central to that should be the provision of decent, affordable, secure and democratically controlled public housing. No more smoke and mirrors on this issue, the answer is simple; direct investment."

Alan Ritchie, general secretary UCATT

"Tenants do not actually own the assets, so why should our current rents be paying for historic debt? The government could drop the debt, and increase management and maintenance allowances suggested by its own research that they are currently £1,300 million too low."

John Marais, tenant rep, Cambridge Housing Management Board

"There are as many people on council waiting lists as there ever was under the Thatcher Government. Building, improving and buying in houses to be owned, maintained and managed by democratic local councils is now the most urgent, but missing component of a sensible housing policy."

Ken Purchase MP

"The additional £7.4 million that Sutton would gain from these proposals [fully funded allowances] would go a long way towards both achieving and sustaining our homes to a decent standard. We will also know that the proposals would fairly meet the need for all other council tenants."

Jean Crossby, Chair of Sutton Federation of TRAs



"Many of our members are struggling just to make ends meet. Housing is a major issue and access to affordable, well-maintained council housing is more essential than ever. PCS supports the call for the 'Fourth Option' to allow councils to invest in first class housing for years to come."

Mark Serwotka, general secretary PCS (civil servants union) pictured above

"Tenants' campaigns against privatisation have put council housing at the top of the political agenda. With the current crisis the solution is to give councils fair and equitable funding to allow them to build the homes with 'secure' tenancies we so desperately need."

Patricia Rowe, tenant Taunton Deane

"Our negative subsidy has gone up and we are going to be paying the average of £1,500 per unit. How can we plan a proper business case to do the repairs and modernisation that we need?"

Cllr Catherine Smart, Housing Executive member, Cambridge

WHAT WE'RE DEMANDING:

- Stop the robbery: ring-fence all the income from tenants rents and housing capital receipts
- Fully fund allowances for management, maintenance and repair of council housing at "level of need" from within a ring-fenced national HRA
- Adequately recognise needs of different types of authorities and different housing stock
- Allow authorities to plan ahead by guaranteeing funding formula for 30 years
- Provide level playing off and gap funding for their homes by taking and giving additional re authorities unable to m Homes' as a minimum

'FOURTH OPTION'

It is a scandal that the Treasury takes money from tenants rents and 'right to buy' receipts – treating council housing as a 'cash cow'.

It is even more outrageous that they then bully and blackmail tenants to accept privatisation arguing that there's no public funds to modernise our homes. Politicians of course dropped this argument when they saw the chance to divide the campaign by promoting arms length companies. ALMO borrowing is 'on balance' sheet – they could have given the extra money direct to councils but hoped that the new private company formula would make two-stage privatisation easier (see page 7).

As three consecutive Labour Party conferences have agreed, "ring-fencing all the income from tenants rents, capital receipts as well as equal treatment on debt write off and gap funding" (Composite 10 passed at Labour Party conference, 2006) would fund the management, maintenance, repair and improvement of existing council housing and make building new council housing viable too.

In December 2007 then Housing Minister (now chief secretary to the Treasury) Yvette Cooper announced a review of council hous-

TRY THE DCH 'HRA READY RECKONER'

Go to www.defendcouncilhousing.org.uk to see how much your authority would receive if government agreed to fully funded allowances for management, maintenance and repairs.

ing finance. She promised the review would "ensure that we have a sustainable, long term system for financing council housing" and "consider evidence about the need to spend on management, maintenance and repairs".

The review follows the government's own 'opt out' pilot which demonstrated that government was massively under-funding allowances for council housing. "We are talking about the major repairs allowance across the country being 40 per cent short of what most people would estimate is a minimum investment need over 30 years" (Steve Partridge, Housing Quality Network consultant supporting the review group, *Inside Housing*, 14 March 2008).

A 'Fourth Option' based on fully funding allowances at level of need from within a national Housing Revenue Account (see right) would provide the long

term settlement supporters of council housing have been demanding.

END THE 'ROBBERY' NOW!

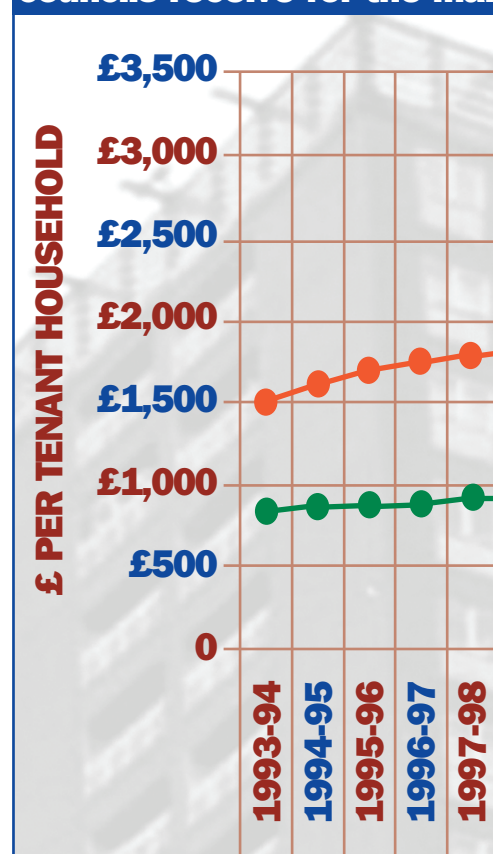
Government's announcement of the level of allowances and rents for council housing (Draft Subsidy Determination) involves the 'robbery' increasing by a further £248 million to £1.83 billion for 2009/10! Rents will be assumed to increase by 6.2% from April and a further 6.1% in April 2010 but allowances only go up 2.6%.

In a Parliamentary Answer, Ministers have admitted that under the present arrangements the robbery from tenants rents is set to increase year on year. Lobby your MP: ask them what they are doing about stopping this outrage and insist they support the campaign's demand that all the money from tenants rents and receipts is ring-fenced nationally to fully fund allowances at 'level of need'!

WALES AND SCOTLAND

In Wales allowances are distributed by the Assembly whilst in Scotland councils keep all their rents. However, in both cases – alongside England – council housing would benefit if the Westminster government ended the discrimination against council housing and agreed to a 'level playing field' on debt write-off and gap funding available if councils privatise their homes.

'Robbery': the difference between what councils receive for the management and maintenance of council housing and what they should receive



For more details – and to see how your authority would receive if government agreed to fully funded allowances for management, maintenance and repairs – see www.defendcouncilhousing.org.uk/

Breaking up the national HRA is

Some councils are encouraging tenants to support breaking up the national Housing Revenue Account (HRA). The Local Government Association (LGA), Chartered Institute of Housing (CIH) and others have backed this demand in a policy statement 'My rent went to Whitehall'. Keeping all rents locally can initially sound attractive. But behind the talk of 'localism', greater accountability and supposed 'business efficiencies' lie real risks for tenants. If we lose the national unity of the council housing sector it will make it politically easier for supporters of privatisation to bully tenants into accepting stock transfer down the line. Leaving the national HRA, like stock transfer, is a 'one way

ticket' – there's no going back.

There's a real risk that council business plans fail. It's easy to see how in the current economic climate financial assumptions could prove wrong, and senior officers and elected councillors could end up making bad financial decisions. If the business plan goes pear-shaped for any reason the authority would be telling tenants it has no choice but to sell off our homes.

The priority that most council tenants value is securing resources to manage, maintain, repair and improve our homes. It's doubtful whether abstract principles like 'local autonomy' will benefit tenants in most authorities. Getting government to fully fund Management & Maintenance



Determined to win

and Major Repairs Allowances – within the national HRA – secures a sustainable future for council housing without exposing tenants and their homes to changes in inflation, interest

rates and other economic factors which leaving the national HRA would involve. There's less risk for tenants leaving responsibility for macro economics with government allowing tenants and elected councillors to concentrate on ensuring the allowances are spent in tenants' best interests.

No doubt government will offer bribes or other 'incentives' to get councils to 'opt out'. We're likely to be subjected to a 'divide and rule' strategy talking up differences between authorities (north v south, metropolitan v rural, positive v negative subsidy) to set tenants against one another. The whole experience of the tenants movement – including fighting for 'secure'



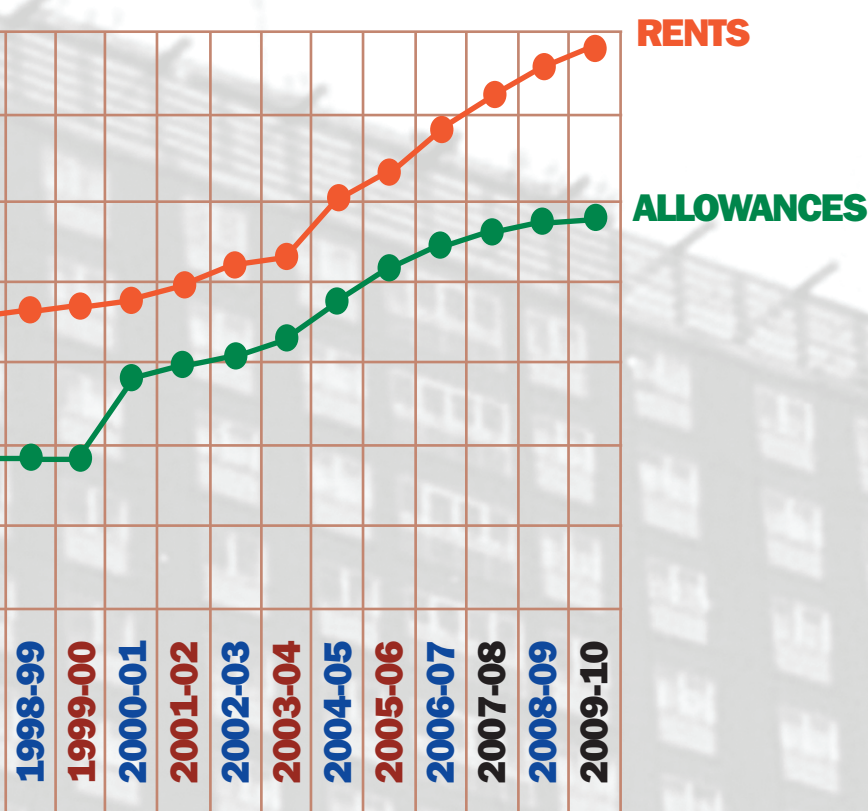
“Despite all the Government’s warm words councils do not have the money to modernise and maintain all their existing Council Housing and neither the money or the freedom to build new housing. It is time to give Local Authorities in the UK the same freedoms to meet local community needs that their counterparts in Europe have.” **Paul Holmes MP**

field on debt write
councils retaining
over historic debt
resources to
meet ‘Decent
standard

● Announce an immediate moratorium on stock options appraisals, sale of council homes and land and further stock transfers until the outcome of the review is implemented

N’ NOW!

between the rent tenants pay and the allowances management, maintenance and repair of our homes



authority would benefit if allowances are fully funded –
dch/dch_housingfinance.cfm

risky for tenants

tenancies, opposing ‘market’ rents, demanding our landlords consult and listen to us and fighting against the robbery – is that we’re stronger when we stick together across the country.

Tenants should also ask themselves why some councils are suddenly talking about a ‘tax on tenants’. Many have regularly dipped into their HRA to fund non housing services that should properly be funded by all residents from the council tax ; they have diverted receipts from selling council housing or land to pay for other capital projects. Cynics would ask if some authorities want to stop ‘negative subsidy’ nationally only so they can siphon off funds locally to pay for neighbourhood, environmental and

other services, subsidising their council tax – at the expense of council tenants.

There is clearly an advantage in councils being able to plan ahead but this doesn’t have to depend on ‘opting out’. If we secure a new finance regime based on government fully funding allowances from within the national HRA there is no reason why a formula can’t be agreed that allows authorities to predict their income over a 30 year period and so plan accordingly – without risk to tenants! Critically the new funding regime must be implemented immediately – not wait until 2010 – and government should increase allowances for 2009-10 to tide councils over.

HOW GOVERNMENT ROBBS OUR RENTS AND RECEIPTS

Government robs money from council housing in two ways: Firstly it collects more in rents than it pays in allowances to local authorities to manage, maintain (M&M) and carry out major repairs (MRA) to our homes.

The ‘Moonlight Robbery Campaign’ estimates that this amounts to more than £19 billion since 1997. Secondly, government takes 75% of the capital receipt from ‘right to buy’ sales and has benefited from stock transfer receipts. In 2008/09 each tenant will pay £3,120 per home in rent (£6.4 billion according to the HRA Review team) but only receive £2,391

per home (£4.7 billion national total) back in services. Government lets councils keep just £1,720 per home (£3.4 billion) for management and maintenance and £671 (£1.3 billion) for major repairs. Nationally, this means the government will rob tenants to the tune of £1.7 billion this year, and it’s increasing (Figures from DCLG subsidy determination 2008/2009).

“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).

Stock transfer has produced £6.08 billion ‘Total Transfer Price’ – money which comes from council housing and should have been reinvested in council housing (*UK Housing Review 2006/2007*). The answer to a key Parliamentary Question shows that on top of the money taken from our rent to fund historic debt government is profiting this year by a further £198 million (widening the gap in the graph, see left) rising to an estimated £894 million per year by 2022! (PQ Answer 155558, 19 June 2008, Appendix A). This will raise the total robbery (difference between rents and allowances) above £2 billion per year!

UNDERFUNDING ALLOWANCES

MANAGEMENT AND MAINTENANCE

Research commissioned by government from the Building Research Establishment (BRE) in 2001-02 showed that Management and Maintenance Allowances should have been £5.5 billion when in fact they were only £3 billion. In 2004 Parliament was given an update and told “Hence the 2004-2005 level of allowances would have to increase by about 67% in real terms to reach the estimated level of need” (PQ 1705 03/04 29 April 2004). Adjusted for today’s prices and stock numbers, the

BRE’s findings show that M&M allowances are now about £1,300 million too low.

MAJOR REPAIRS

According to the report from the government’s ‘opt out’ pilot study current Major Repairs allowances “undercuts basic investment needs by 43 per cent over 30 years” (Inside Finance, March 2008). This amounts to £950 million a year. Council housing allowances need to be funded by an additional £2.25 billion (£1.3 b M&M plus £0.95 b MRA) per annum to meet actual need.

NEW RESEARCH TO IDENTIFY FUNDING GAP

DCH successfully argued that the Department for Communities & Local Government should commission new research into how much is needed to fund the management, maintenance and ongoing repair of council homes. The research has been completed – but not yet published (Dec 2008). Tenants will need to make sure that the conclusions are not manipulated to reduce the cost implications as often occurs with government commissioned research.

TENANTS SHOULDN’T HAVE TO PAY FOR THE ‘HISTORIC DEBT’

In the last few years government has said that around £1.2 billion a year of the ‘robbery’ from tenants rents goes to support historic debt because, they argue, existing tenants should pay the cost of building council homes in the first place.

Because the current system is deeply unpopular and unsustainable they are looking at new formulae, re-packaging and maybe redistributing charges for historic debt. “This charge would effectively represent the value of past and present investment by central government into council housing that itought to be entitled to earn a return on.” (*The Cost of Capital*, Keith Jackson, HM Treasury, June 2008)

There are a number of arguments

against council tenants having to pay historic debt in any form:

1. Council tenants neither own the asset nor benefit from capital receipts from the sale of council housing. Like hospitals and schools it belongs to the public. Since we do not have a financial ‘interest’ in the asset we should not be responsible for servicing the debt.
2. The proceeds from ‘right to buy’ and stock transfer have been more than enough to allow government to pay off the remaining historic debt (around £12 billion) three times over.
3. Government takes over any outstanding debt (and pays gap funding) when councils stock transfer homes. If government can subsidise privatisation they can do the same to

respect the choice of tenants to stay with the local authority (see PQ 186840, Appendix B ‘Gap Funding’).

4. Government does not attempt to recover public subsidy from home owners, though homeownership is the most heavily subsidised form of housing in England: £18.4 billion in 2004-5 compared to £15.4 billion on both council and housing association housing, including housing benefit! (Hills: *Ends and Means*, LSE, February 2007).
5. There is no proposal to recover Social Housing Grant and other funding to Housing Associations or other landlords.

If government subsidises many forms of housing why are only council tenants expected to pay back the Treasury?

PRIVATISATION ‘BAD VALUE’

Government says that the outcome of their review must be ‘financially neutral’ – ie government shouldn’t be required to put money into council housing. That’s a bit rich considering how much they’ve siphoned off over the years!

But they are discussing only four areas: money taken out of the Housing Revenue Account, the amount spent on Housing Benefit, the level of

borrowing as it affects the Public Sector Borrowing Requirement, and the administrative costs of the system. There is a fifth area of government finance which relates to council housing: the vast subsidies for transfer of council housing to the private sector.

Between 2000-01 and 2006-07 £2,436 million – nearly £2.5 billion – was spent writing off overhanging debt for councils which transferred

(Parliamentary Question 25/02/08).

A further £387 million has been spent on gap funding (Parliamentary Questions 19/02/07 and 10/03/08).

Government is clearly prepared to dig deep to subsidise privatisation. Resources available to subsidise gap funding and overhanging debt for privatisation should be made available for direct investment in council housing.



“Why should council house tenants be treated as if they were somehow in transit? Instead of making people feel that council house occupancy is little more than a temporary aberration we should be building homes fit for the future and homes to be proud of.”

Dave Anderson MP

“Council tenants of Swansea voted to stick with the elected council... want to see improvements to their homes and estates as well as new, high quality Council homes. They want secure tenancies, reasonable rent levels and a Council landlord that they can hold to account at the ballot box. These are not unreasonable demands. They are what our Labour government should be delivering by providing ‘the Fourth Option’ now.”

Martin Caton MP

“We’ve had three consultative votes and none less than 95% on each occasion has voted to stay with council provision... at Bolsover we need a level playing field for extra investment... All we want to do is play along a level field with other housing providers.”

Cllr Keith Bowman, Housing Cabinet member Bolsover

“Everyone accepts the system of financing council housing is currently under funded, becoming unsustainable, becoming unstable... Rent increases above inflation for council housing are ‘highly controversial’.”

Steve Hilditch, consultant facilitating Review of Council Housing Finance

UNITE THE ‘COUNCIL HOUSING’ FAMILY TO WIN ‘FOURTH OPTION’

All 2.5 million council tenants have a common interest. Whether we are in ‘retained’ authorities (direct council management) or ALMO (Arms Length Management Organisation) – we need to unite the ‘council housing family’ to step up pressure on government to agree the ‘Fourth Option’.

We all need to win additional resources to address the black hole in our council’s Housing Revenue Account to

fund improvements and ongoing management, maintenance and repairs to sustain first class council housing for years to come. Ministers keep trying to divide and rule or bully and blackmail us into accepting their proposals.

They produced the bribe of public investment if councils set up new arms length companies (ALMOs). It would have cost exactly the same to have respected tenants’ choice and allowed

councils to borrow direct. They hoped the new formula would break the back of the campaign and make it easier to come back at a later date and privatise the ALMOs one by one. It was a difficult decision for tenants – and many were never really given a proper choice. Those decisions are now behind us. The point now isn’t to re-criminate but unite.

There are signs today that some

politicians want to try and divide us again by proposing to break up the national Housing Revenue Account (see pages 4/5) and asset strip council land using Local Housing Company public/ private partnerships (see below). It’s crucial that the alliance of tenants, unions, councillors and MPs calling for direct investment in council housing remains united to make sure they don’t succeed.

Opposing two-stage privatisation of ALMOs

Some ALMOs are now promoting privatisation by stock transfer or morphing into public/ private partnerships – “two-stage” privatisation as we predicted.

Oldham’s ‘First Choice Homes’ and Warrington’s ‘Golden Gates

Housing’ are threatening to privatise homes and Stockon’s TriStar and Kensington & Chelsea are also considering it. Whilst many tenants were promised the ALMO was only a temporary vehicle that would be wound up once the Decent Homes work was completed, DCH always warned there was a strong lobby to make sure this doesn’t happen.

In some authorities tenants have seen big sums spent on expensive set up costs but the ALMO hasn’t yet been given access to additional funding. In others the promised improvements have been scaled back and promises to tenants broken! “The last wave of arm’s-length management organisations looks set for a much

tougher funding regime than previous rounds” (*Inside Housing*, 15 February 2008).

It’s critical that tenants, trade unionists, councillors and MPs in ALMO authorities recognise that our long term interests lie in joining up with those in ‘retained’ authorities and throw our weight behind the campaign to win the ‘Fourth Option’. Now is the time to re-unite the ‘council housing family’ across more than 200 authorities that still have council homes to secure the future of all council housing. Help make sure that tenants in your area have the benefit of a full, fair and balanced debate about the options with equal resources for all sides to put their case.

“We need to get out a strong message to tenants in ALMO authorities like

Oldham (my own constituency) and Warrington now being pressured to accept the second part of two-stage privatisation by stock transfer. Elected councils should be standing by their tenants to make sure that the Review of Council Housing Finance delivers the promised settlement to make council housing sustainable and joining the call for government to fully fund allowances at ‘level of need’ as an alternative to privatisation.”



Michael Meacher MP

‘Affordable’ usually isn’t!

More people are in serious financial difficulties as housing eats up an ever bigger proportion of household incomes. Professor Peter Ambrose told the DCH conference “housing is affordable only if you can pay for it after all other household costs to live a healthy and safe life has been covered.”

His Housing Affordability Standard (HAS), based on the Minimum Income Standards methodology used to calculate the London Living Wage (LLW), shows “For a family of two adults and two children, living in east London and on LLW pay, the HAS is £135 per week. On the National Minimum Wage only £86 is available for housing.”

Professor Ambrose’s extensive research has found “This increase in the impact of housing costs on household budgets... means less money is available for good food, holidays, social

life, home support for school children, pension self-provision and other important items that protect health and the quality of life... it should be noted that a 2007 UNICEF review of child wellbeing in 21 rich countries found the UK at the bottom of the league” (Cometh the hour – Cometh the housing drive, November 2008).

Many council tenants currently entitled to Housing Benefit could be hit hard by proposals to keep pushing up council rents, cap how much rent Housing Benefit might cover and force claimants into [low paid] work. The Department for Work and Pensions’ white paper on welfare reform includes proposals to “introduce absolute rent levels or time-based benefits – requiring tenants to move to cheaper accommodation after a period” (*Inside Housing*, 12 December 2008). This could restrict poor tenants to run-down estates!

LOCAL HOUSING COMPANIES ARE NOT THE SOLUTION

Government is heavily promoting new Local Housing Companies (sometimes also called ‘special purpose vehicles’ or ‘local development vehicles’). But any schemes which rely on private finance – from regeneration to Local Housing Companies – are risky - and ‘bad value’. It makes far more sense to put public grants into public (council) housing rather than subsidising private developers and builders.

To set up a public/private partnership councils must make assumptions about interest rates, rates of inflation, and house prices over the next 20 or 30 years. The Barking and Dagenham

scheme, which only proposes to provide 25% of the new homes for rent (and as RSL ‘assured’ not council ‘secure’ tenancies), is based on house prices going up by 2.5%. If house prices do not rise then the ‘profit’ from the scheme will be halved and there will be even less homes for rent. If they fall then the whole LHC would become unviable (potentially leaving the council out of pocket). With prices for new homes falling, the cost of credit rising, and inflation unstable, the picture is likely to end up even worse than projected as developers and lenders insist on protecting their profits.

Public/private partnerships have a disastrous track record. Impressive sounding objectives to meet public need at the beginning of projects invariably get scaled back. The private sector ‘partners’ will be looking to maximise profits and minimise their exposure if the business plan goes pear-shaped and councils have a poor record of effectively policing these schemes.

Since Ministers have now conceded that councils can apply for ‘Social Housing Grant’ on the same terms as other landlords and retain rents and receipts it makes sense for councils to build new council housing on council land.

DEFEND ‘SECURE’ TENANCIES

There are persistent calls to scrap ‘secure’ council tenancies and introduce mean testing and time limits to take away our hard won rights. Those who support this neo-liberal agenda want council housing only for the desperate, allowing the private sector to asset strip council homes and land, and forcing everyone into home ownership or the private rented market.

In 2007 the Smith Institute published ‘Rethinking Social Housing’, arguing council housing encourages ‘dependency’ and should only be available as a short term emergency fallback. Ruth Kelly, then Secretary of State, enthusiastically followed up offering to ‘help’ tenants into home ownership. She wanted Professor John Hills to recommend an end to ‘secure’ council tenancies in his ‘Review of Social Housing’, but he refused.

Caroline Flint, then Housing Minister, called for ‘commitment contracts’. In October 2008 the Chartered Institute of Housing weighed in with ‘Rethinking Housing’ proposing to means test and time limit tenancies. The latest proposals from the Tory Centre for Social Justice are similarly crude. They argue “The time is right to reposition social housing as a support mechanism, rather than a terminal destination”. “the law should be changed so that local authorities are

free to use new and existing social housing as it becomes vacant, as they see fit” and “free to let social homes on whatever terms they judge most appropriate”. They also comment “the tenant veto has prevented it [stock transfer] taking off effectively” (Housing Policy, Centre for Social Justice, November 2008).

It’s less than thirty years since council tenants campaigned and won ‘secure’ tenancies. Before the 1980 Housing Act council tenants had few rights and little protection (see ‘Defending Principles’ text link at top of DCH website).

Tenants across the country need to re-create effective independent organisation to stand up to these latest attacks. Distribute this newspaper and organise a public meeting in your area to mobilise tenants to defend our ‘secure’ tenancies.

The Chartered Institute of Housing (CIH), the professional body for housing, must live in a different world. They say: “Today, a home is much more than a place to live. It is also, and indeed sometimes only, an investment, a pension, an income, an office, a business and sometimes a potential liability. Society has moved on but our basic principles of public housing policy have not.” The CIH propose “a system of flexible tenure in which all new lets can be reviewed after a set period of time... but that the existing terms and conditions are not an option”. Perhaps if housing policy makers went back to their job and supported building a new generation of first class council homes – rather than pursuing neo liberal social engineering – we wouldn’t have a shortage of secure housing people can afford and such a deep housing crisis!

“Government has to provide funds to enable all councils to meet the Decent Homes minimum standard. It must also stop coercing housing authorities into stock transfer and stop siphoning money from tenants’ rents and capital receipts. We need a strong, well-resourced national council housing sector, so I strongly oppose breaking up the national Housing Revenue Account as this will lead to more privatisation in the difficult years, which lie ahead.” **David Taylor MP**
North West Leicestershire



UNITED, WELL ORGANISED AND INDEPENDENT... TOGETHER WE CAN WIN

CAMPAIGN MAKES A DIFFERENCE

Campaigning makes a real difference. We’ve fought off numerous attempts to try and introduce market rents, reduce our security and take away our rights. Where we’ve been strong and well organised we’ve managed to fight off privatisation and now we’ve got government promising to make council housing financially sustainable and start building new first class council homes. Experience shows that a broad campaign that unites all those who oppose privatisation is essential to defend our homes and our rights.

Working with tenant groups, trade unions, councillors and MPs of all parties (excluding fascists who want to exploit racism and divide us) we can pull powerful forces behind us. The best campaigns have been big and bold: leafleting every home and getting posters up on our estates; holding public meetings where we live and in town centres; writing letters to the press.

It’s no surprise there are moves to undermine the best traditions of the independent tenants movement. ‘Consultation’ often feels like a ‘con’. In the place of democratic tenants meetings where everyone can have their say, listen to each others’ opinions and then vote on formal proposals we get herded into small sanitised focus groups dominated by professional ‘facilitators’ to play games with Post-it notes and hand picked steering groups – often gagged by confidentiality clauses – who never consult or report back to anyone.

It’s important that tenants representatives are elected by and representing ordinary tenants, and are mandated and accountable to them (see letter right). But there are en-



Lambeth tenants protest against rent increases

couraging signs of a revival of independent tenants organisations prepared to ignore the flattery and refuse the seductive offers of funding if conditions attached restrict our democratic rights to speak and organise.

We expect and demand that, however we organise ourselves, our landlords hand over funds from our rents to finance our independent tenants movement, with no strings attached.

BROAD BASED AND UNITED

DCH brings together tenants, trade unionists, councillors and MPs on a broad basis. Everyone who supports council housing is welcome – except the Nazi BNP who are trying to exploit housing to divide our communities. Local campaigns that follow this ‘united’ model make the most impact, giving tenants the confidence that we can defeat privatisation and win direct investment.

If your council (or ALMO) is proposing stock transfer, setting up public/private partnerships or if you want to demand the council build new council housing there’s a wealth of experience around the country you can draw on.

ASK YOUR MP TO SIGN NEW EARLY DAY MOTION: EDM 355 ‘COUNCIL HOUSE BUILDING’

Get your MP to sign the new Early Day Motion in Parliament to support the campaign <http://edmi.parliament.uk/EDMi/EDMDetails.aspx?EDMID=37366&SESSION=899>

“That this House points out the urgent need to boost the economy by a massive programme of public investment to improve existing council homes and estates and build a new generation of first-class council housing to provide secure tenancies and low rents, and managed by an accountable landlord of the type the large numbers of people in housing need desire; and calls on Government

to stop taking money out of tenants’ rents and to ring-fence all rents and receipts within a national housing revenue account, to fully fund allowances to local authorities for the management, maintenance and repair of council homes at level of need, along with a level playing field on gap funding and debt write-off so as to secure the long-term future for council housing and to provide funding to build new council homes thus allowing authorities to open up their allocation policies once again to the wide range of people on council housing waiting lists so that butchers, bakers, nurses and teachers can live together with young families and pensioners thus returning our estates to the mixed and sustainable communities they used to be, and to provide a sustainable housing policy offering security and stability for the 21st century.”

Add your name to this open letter:

27 November 2008
To Minister for Housing; Margaret Beckett

Dear Margaret Beckett

We are angry and dismayed to learn that despite much trumpeting, the proposed ‘Tenants Voice’ body will not give tenants a representative voice, but will once again attempt to hand-pick vetted individuals who are not elected by or accountable to tenants’ representative organisations.

We are writing to endorse the following resolution passed almost unanimously by the London conferences on NTV earlier this year:

1. Government should respect view of tenants;
2. Government should require landlords to fund independent tenants organisation at local level;
3. Any national body set up to represent tenants should be made up of tenants reps who are directly elected and accountable to tenants;
4. We need a clear process for tenants organisations to put proposals to the national body;
5. Before any formal proposal is put to government we should be reconvened and consulted again.

Yours sincerely

Meric Apak, chair Camden Federation of Tenants and Residents Associations, and:

Mark Bellas, for Enfield Federation of Tenants and Residents Associations
Grace Gaden secretary Hillingdon Federation of Tenants
Anne Ames chair Chase Tenants and Residents Federation
W. Whelan Chair Stevenage Tenants and Association (FOSTA)
Barbara Goldstein Chair Slough Federation of Tenants and Residents
Anna Vine-Lott Company Secretary Cambridge Federation
Rosario Munday chair, Graham Nicholls vice chair Lambeth Tenants Council
Sadiq Mohamed Honorary Secretary Kingston Federation of Residents
Wisewood & District Tenants and Residents Association
Stubbin Community Tenants and Residents Association
Shiregreen Tenants and Residents Association;
Westfield Tenants and Residents Associations (Sheffield)
Terence J Edwards Chair MESH;
Frampton Park Tenants and Residents Association,

Viki Matten chair Downs Estate Tenant Management Organisation (Hackney)
Denise Moses, Carlisle and Rural Tenants Federation
Carol Thipthorp Secretary Southend Tenants and Residents Federation
Ann Holme chair, Wirral Tenants Federation
David Wright (Secretary) Blackpool Residents Federation
Dave Morris Secretary Haringey Federation of Residents Associations
Jean Crossby Sutton Federation of Tenants and Residents Associations
Gail Burton Boundary Estate Tenants and Residents Association;
Pawla Cottage, Columbia Estate Tenants and Residents Association (Tower Hamlets)
Dawn Humphries, Federation of Southampton tenants and residents associations
Jim Thomson Secretary Exeter tenants & residents Association, Corby

To add your name contact: Camden Federation of Tenants & Residents Associations, 11/17 Camden Street, London NW1 0HE
office@camdenfed.org

AFFILIATE AND ORDER MATERIAL FROM DCH

Annual affiliation fees:

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



Copies of this national newspaper
£20 per 100 / £120 per 1000

Case for Council Housing pamphlet
£10 (or £2.50 for individual tenants / bulk orders)

Dear Gordon 2 pamphlet
£5 (or £1.50 individual tenants / bulk orders)

Annual subscription to Campaign Mailings & Briefings £15

Name

Address

Organisation Position

Tel No(s) Email

National newspaper..... Amount £

Pamphlets Amount £

Affiliation fee Amount £

Mailing Subscription Amount £

Donation..... Amount £

(Cheques to Defend Council Housing) Total Amount £

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

“The argument that tenants must actively seek work or have a job or they are at risk of losing their secure tenancies, disgusts me! We are the fattened cow and our rent monies are used by local authorities and the government as a nice little earner.”



Lyn Ralph, chair, Doncaster Federation of Tenants



“The recent credit crunch and fall in house prices has brought the need for council houses into very sharp focus. It is more important than ever to ensure that councils are given sufficient funding to modernise their existing stock to meet the highest environmental standards.”
Frances O'Grady, deputy general secretary TUC

BUILD NEW FIRST CLASS COUNCIL HOUSING NOW

Britain urgently needs a big housebuilding programme to provide homes, jobs and give a boost to the economy. Investing in a new generation of first class council homes makes urgent sense.

The private market has never delivered secure housing for working people at a price many can afford. For 20 years government closed the door on councils building and diverted public funding to so-called Registered Social Landlords (Housing Associations). But these have largely failed to deliver. Many are now in serious financial trouble after

‘diversifying’ into building for sale, suspect lending arrangements and partnerships with private developers.

Government is encouraging councils to set up public/private partnerships. These Local Housing Companies (LHCs) – sometimes called Special Purpose Vehicles (SPVs) – were meant to build equal numbers of ‘affordable’ and private market homes. But whilst councils put in valuable public land and developers get public grants, at best, only a quarter of homes built are likely to be for rent. And, because they’re a public/private partnership, none of the homes would be ‘council



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

housing’ with ‘secure’ tenancies! It’s bad value!

The New Deal for Communities ‘partnership’ in Solihull shows what can happen. It has consumed more than £50 million of public money, demolished thousands of homes and now the private ‘partners’ have declared they can’t afford to build the

new housing they promised! (BBC Radio5Live, November 2008). Other New Deal schemes are suspected to be in similar trouble (let DCH know about schemes in your area).

Elected councillors should be forced to hold a full public debate and consultation before committing themselves to public/private partnerships and carry out a thorough feasibility study into building council housing instead.

It’s crucial that early in the New Year government gives elected councils the encouragement and resources they need to provide a new generation of first class council homes.

Tenants, trade unionists, councillors and MPs demand:

‘FOURTH OPTION’ for COUNCIL HOUSING



Council housing as ‘tenure of choice’

A new council house building programme would return our estates to the mixed communities they used to be with butchers, bakers, nurses and teachers living side by side with young parents and pensioners. It would reverse the narrowing of housing allocation caused by the shortage of council housing.

Until the 1980s one in three households were council tenants and council estates were genuinely mixed. As Professor John Hills showed, in 1979 ‘20% of the richest tenth lived in social housing’ (Ends and Means, LSE, Feb 2007).

Some politicians and housing policy makers are now arguing that ‘mixed tenure’ will achieve ‘mixed communities’. But this stigmatises council housing as housing of ‘last resort’ rather than a ‘tenure of choice’. It’s also a thin justification for letting private developers asset strip valuable public land at knock down prices.

Investing in a new generation of first class council housing, well designed, well built with access to good transport, shops and community facilities would provide secure homes with low rents and an accountable landlord that Britain needs for the 21st Century.

LOWER RENTS FOR COUNCIL TENANTS

In 2006-07 in England the average rent paid by council tenants was £280 per month compared to £313 for Housing Association tenants and £565 for assured private rents. (Housing Statistics 2008, CLG, 11 December 2008)



Tenants lobby investment in council housing

Picture: Andrew Ward

“More and more families are coming to my constituency advice surgery faced with repossession of their homes and with no alternative accommodation to go to. All because there are no council homes to house people securely. This was not acceptable in the 1960s when we watched ‘Cathy Come Home’ and it is not acceptable now. We need a massive programme of council house building and we need it now



to give people a decent home and to help get us out of this recession.”
John McDonnell MP

“If people are unhappy at the standard of housing, they have an option where there is council housing. That option is the local elections... What right will future generations have to hold their local political leadership to account about what it is doing locally on housing and homelessness?”
Adam Price MP

Why we insist on ‘council’ not ‘social’ housing

Politicians talk about ‘social’ and ‘affordable’ housing pretending it’s the same as council housing. It isn’t!

Council housing is unique. It gives tenants a stronger ‘secure’ tenancy, lower rents and a democratically elected landlord easier to hold to account. It is not directly subject to the private money market crashes. That’s why so many tenants have rejected privatisation and bribes to go to a ‘social’ landlord.

Housing Associations are increasingly unaccountable big businesses rather than friendly local community based organisations. The sector is driven by mergers and takeovers and many are now in serious financial difficulties.

“The Housing Corporation is keeping ‘a close eye’ on several housing associations that are struggling

to make ends meet during the economic crisis, chief executive Steve Douglas has said... *Inside Housing* is receiving weekly calls from people warning that different associations are running into financial problems” (*Inside Housing*, 24

October 2008).

“If there are casualties that require assistance, and they are medium-to-large, that could have serious confidence issues for the sector – it would push up perceived risk and the cost of borrowing and would

IF YOUR COUNCIL HAS A HOUSING WAITING LIST:

- Demand the council bring any empty homes back into use as council tenancies – organise ‘mass viewings’ to publicise your demands and get people in housing need involved in the campaign
- Oppose unnecessary demolition and selling off any council homes. Demand extra government funds to bring all voids up to the Decent Homes standard so they can be let to council tenants
- Identify public land to build new council housing on and insist the council carry out a feasibility study into building new first class council housing
- Check for good quality empty private housing developments and suggest the council open negotiations to buy them at a discount to be let as council tenancies
- Distribute this newspaper widely in your area to tenants, trade unionists, councillors and others concerned about housing
- Organise a public meeting to rally support behind these demands let as council tenancies

make it even tougher for those left in the sector” (Peter Hammond, of Tribal Group’s housing finance team, *Inside Housing*, 2 October 2008).

Housing associations use tenants’ homes as security for borrowing. They could ultimately be forced to sell homes built with public subsidies. Some are already cutting back on maintenance to cover increased borrowing costs.

Councils are far from perfect but they are more accountable, less distorted by commercial business practices, can access cheaper borrowing and pay less fat cat salaries.

So council housing is more secure and charges lower rents and it’s cheaper to build, manage and maintain than the private alternatives. Council housing makes economic and social sense!