The purpose of the review is to ensure that we have a sustainable, long-term system for financing council housing...

Yvette Cooper, 2 December 2007

"We remain committed to completing our comprehensive Decent Homes programme and to maintain this standard. The reforms I propose will safeguard this commitment. Capital funding will be provided to support this.

We also intend to complete improvements required to common areas of estates and will ensure that there is sufficient funding in the system to maintain them in the future..."

Ministerial statement, 30 June 2009

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

Labour Party manifesto, April 2005

In the run up to General and local elections, tenants will demand guarantees from politicians who want our votes: stop privatisation now, and invest in council housing.

We need a return to first class council housing as a tenure of choice – not to pit those on the waiting list against each other. The answer to the despair of overcrowding, repossessions and growing waiting lists is to build enough council homes for all who want and need them.

The case

MPs say: Time to invest

Reform of council housing finance: Proposals fall short

Why we need council housing

What you can do

Self-financing: questions to ask

March 2010 35p

Defend Council Housing

A MANIFESTO FOR COUNCIL HOUSING

- Protect existing secure tenancies and low rents
- Stop the robbery – reinvest all rents and receipts into council housing
- Fund at level of need so every council can deliver and maintain decent homes and estates
- Fund the backlog of capital works
- Resources to increase the energy efficiency of all council housing
- Protect working conditions including pensions, in any self-financing settlement
- Use directly-employed building workers and apprentices – no cowboy contractors
- A mass programme of new council housing for all who want and need it, making first class council housing a tenure of choice
- A moratorium on further stock transfer, sell-offs or PFI

March 2010

Defend Council Housing PO Box 33519, London E2 9WW Phone: 020 7987 9989 Email: info@defendcouncilhousing.org.uk Website: www.defendcouncilhousing.org.uk

Two million tenants are determined to keep our secure tenancies, lower rents, and democratically accountable landlord. Council housing is the alternative to the private sector’s high rents, lack of security and safeguards.

It would be madness to vote for transfer now, when government has pledged to fund all councils to improve and maintain all homes and estates. Transfer is privatisation, with risks, and the loss of secure tenancies and democratic control.

Our united campaign of tenants, unions, councillors and MPs has proved we can win. No votes, and also win an alternative. The campaign against privatisation locally, and for direct investment nationally has forced government to change policy. Now let’s resist the blackmail, finish the job and win the hard cash we need to give council housing a secure future.

After 20 years of privatisation and obsession with home ownership, ministers now admit council housing is important. We have won the first, though still small, council house building programme for many years. Our campaign has forced government to introduce legally binding guidelines for transfer ballots; and Minister John Healey announced a partial moratorium on further large-scale transfer in December. Funding for energy efficiency in council housing will now come from energy companies, not, as government previously threatened, out of our rents.

Government has been forced to admit they rob tenants rents and underfund the maintenance of our homes by at least 54%. The Treasury robs our rents and capital receipts. We pay in rent a sum far in excess of the allowances to local authorities for management and maintenance (M&M) and major repairs (MRA) each year.

We demand an end to the robbery of tenants rents, and the debt rip-off. In a stock transfer the ‘historic debt’ on council housing is taken over by government – we demand a ‘level playing field’, and ring fencing of all the money that belongs to council housing.

The National Audit Office warned Ministers in January they ‘should consider as a priority how to appropriately fund housing repairs’ for council housing.

But proposals to reform funding due in February have again been delayed. A new funding settlement must ensure every council can deliver and maintain decent homes and estates. We cannot accept a deal that denies working conditions including pensions, in any self-financing settlement.

Government funding reform for existing council homes is linked to ‘self-financing’ proposals to abolish rather than reform the national subsidy system. This is risky for tenants and workers, and an underfunded settlement would lead to yet more privatisation. When the detailed proposals finally appear, use the DCH ‘Questions to Ask’ (see back page). Tenants and councillors mustn’t be bullied by being told a self-financing settlement is the ‘only option’. Make sure you’re aware of the risks!

If Ministers are serious about changing policies and guaranteeing a sustainable financial future for council housing, they must back up words with hard cash.

In the run up to General and local elections, tenants will demand guarantees from politicians who want our votes: stop privatisation now, and invest in council housing.

We need a return to first class council housing as a tenure of choice – not to pit those on the waiting list against each other. The answer to the despair of overcrowding, repossessions and growing waiting lists is to build enough council homes for all who want and need them.
STOP THE BULLYING AND THE BLACKMAIL

Despite all the blackmail and bullying to accept privatisation, there are still 2.5 million council tenant households in more than 200 authorities across the UK. With the private housing market and housing associations in meltdown, council housing is more important than ever.

Ministers have accepted the need for change and held a Review of Council Housing Finance “to ensure that we have a sustainable, long term system for financing council housing.” The initial offer significantly increases resources. It’s not yet enough, but councils, MPs and tenants are continuing to push for a better settlement (see pages 4 & 5).

LEVEL PLAYING FIELD
As the government has agreed to a ‘level playing field’:

- There should be equity in the terms of public funding whether they are transferred or retained in the future under self financing (‘Housing Minister John Healey, written statement June 2009.’) “The valuation of a transfer proposal should follow the same principles that apply in valuing the stock and setting standards in a self-financing settlement.” (Reform of council housing finance, CLG, July 2009, para 4.60)

This means halting the public money subsidising stock transfer. This is a victory but also a danger, as a money subsidising stock transfer.

THE CASE AGAINST TRANSFER

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 are not statutory rights, and new tenants won’t get these extra promises.

MORE EXPENSIVE Housing Associations 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 it would have cost for the Council to do the work.

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 plans to force up council rents to match Housing Association rents through ‘convergence’ are in disarray, put back three times from the original 2012 so they’re now aiming for 2024 (or never)

LESS ACCOUNTABILITY Council tenants elect our accountable landlord. Tenants and our associations can lobby our local 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, legally accountable to the company. Tenants on the Board 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” (Audit Commission, Housing: Improving services through residential involvement, June 2004).

RISK Housing Associations are often huge, increasing regional or national business diversifying into non housing activities. Many ‘local’ associations are swallowed up by national companies, and national 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 assets to claim privatisation is the only way to fund improvements. Ask unions, councillors and DCH to help check figures.

DNA – it is grossly irresponsible for any authority to now recommend privatisation to tenants on the grounds of insufficient funds when government has pledged a ‘sustainable’ future for council housing.

Shamefully, however, several councils are pushing transfer or beginning new ‘Stock Option appraisals’, including a number of authorities with ALMOs (see list on the back page). This is outrageous.

DEMAND MORATORIUM NOW If your council is considering or conducting a Stock Options Appraisal (or proposing to ballot tenants on stock transfer; or selling homes and land) demand a moratorium – that they put their plans on hold – until the Reform of council housing finance has delivered the ‘sustainable’ future for council housing.

EXAMINE COUNCIL’S FINANCIAL CASE – KEY QUESTIONS

Where a local authority refuses to put their plans on hold, the business plan and ‘offer document’ must be challenged to ensure that they have factored in the outcome of these proposals (see pages 4/5). If they don’t the council could be acting illegally. Some questions to ask:

a) What can council do using available resources? How much more will it be able to do under the current proposals to reform housing finance?
b) Are all available receipts (money from sale of council homes, other buildings or land) spent on council housing?
c) Are services (grass cutting, highways, communities safety, social services etc) being charged to the Housing Revenue Account which shouldn’t be?
d) How much will government pay to write off housing debt to subsidise stock transfer? If the money’s there they can do the same for council housing.

THE CASE AGAINST TRANSFER

NEW GUIDANCE

Ensure fair and balanced debate

Many councils try and fix the outcome of stock transfer ballots by spending a fortune on one-sided propaganda and refusing to include the case against; changing the date or calling ballots at short notice, refusing to answer questions on their proposals; refusing to debate and denying opponents a chance of those entitled to vote, etc.

Pressure from campaigners and MPs has forced government to bring in a code of practice to help remedy this democratic deficit. It still falls short in many areas but, unlike the previous guidance, consultants are legally obliged to follow it. The code of practice says:

- “Local authorities should ensure that the information provided, and decisions taken, is fair and objective picture of the proposed transfer” (Annex 1:3) “The [of]fer documentation must claim 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).

- “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). See Consultation before disposal to private sector landlord: statutory guidance (CLG, July 2009).

We have the right to obtain all addresses of council-owned homes through the Freedom of Information Act. Two decisions by the Information Commissioner mean councils must release the addresses (not names – FS50082899 4th May 2006 and FS50066606 3rd January 2007).

CHALLENGE THEIR FIGURES

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). They may manipulate figures to claim privatisation is the only way to fund improvements. Ask unions, councillors and DCH to help check figures.

Democracy – is the options group representative, or hand-picked and exclusive? Are resources available for both sides to put their case to all tenants in a fair and balanced debate, followed by a ballot?

So-called ‘Independent Tenants Advisors’ are rarely ‘independent’ or ‘tenants’. Must make their living by ‘helping’ organise stock transfer.

Don’t let the council muddle up the financial and the political arguments and present their views as ‘facts’ while calling alternative views ‘propaganda’ and ‘lies’.

“Bumper bonuses and pay packets pushing £400,000 suggest that when it comes to their wage slips, many housing association chief executives are oblivious to recession’s chill... incredibly, the top 10 earners’ salaries have soared by an average of 9.1 per cent since 2003” (Inside Housing, 25 September 2009)

Government now admit council housing is underfunded, and are putting real money on the table for the first time – that’s huge progress. Unltd we can stop privatisation, defend our secure tenancies and win a sustainable future for existing council housing and a massive programme of new-build.”

Eileen Short, chair, DCH
Don’t let councils privatise

Massive new-build programme needed

"In the past we have placed restrictions on local authorities... Today let me be clear: if local authorities can convince us that they can deliver quickly – and cost-effectively – more of the housing that Britain needs, and if local authorities can build social housing in sustainable communities that meets the aspirations of the British people in the 21st century, then we will be prepared to give them our full backing and put aside anything that stands in their way... We will not allow old arguments and old ideologies to stop us getting on with the job."


South Cambs votes NO to transfer

Council tenants in South Cambs voted by 72% against transfer this year, despite two years of relentless pressure and propaganda from the council and its appointed ‘Independent Tenant Advisers’.

The council spent over £1 million on the process, whereas SCAT (South Cambs Against Transfer) spent a few hundred pounds. South Cambs is rural, with 5,600 council homes in over 90 villages – any area can win the battle of the ballot, if the campaign is well organised.

When transfer plans were announced we wrote to the local paper, warning tenants of the privatisation threat and asking people to contact us. The few tenants who responded and a couple of supportive councillors, with help from Cambridge DCH, formed South Cambridge Against Transfer (SCAT).

Our first leaflet with a ‘Hands Off our Homes’ window display section, had a tear-off slip with three tick boxes: A) I wish to register my opposition to privatisation; B) I am sending a donation; C) I will leaflet in my village/street. We got back nearly 300 slips and over £600 in donations! More importantly, we now had a network of contacts in the villages.

We kept writing to local papers – every pro-transfer letter was answered threefold! We issued press releases and did many radio interviews to get the message across.

We approached Unison, who were brilliant, and other unions for funding, and printed our pre-ballot leaflet. In answer to the council’s hopelessly biased table comparing Transfer and staying with the council, we published our own table, putting the real differences clearly and concisely.

We also delivered an A4 poster designed like an estate agent sign, but ours said ‘NOT for sale’ with photos and quotes from councillors and tenants about why they were opposed to privatisation on the back of it. Coupled with the reminder that there was no going back from privatisation, we won the day.

Dave Kelley, South Cambridgeshire Against Transfer

Tenants from across the UK, with councillors and MPs at the launch of the MPs Report

Defend Council Housing

MPs demand investment and fair funding

Tenants came to Parliament from all over the UK for the launch of the MPs Report: Council Housing – Time to Invest. The launch on 20th October was attended by 60 MPs, councillors, trade unions and tenants from many areas including Southhampton, Glasgow, Birmingham, Camden, Southwark, Lambeth, Barking & Dagenham, Winchester, Swindon, Canterbury, City of London, Waverley and Leicestershire.

Austin Mitchell and Michael Meacher MPs, representing the 40-strong all party House of Commons Council Housing Group met Housing Minister John Healey in October, to demand ‘historic’ council housing debt must be written off or taken over by government. This debt is written off for stock transfer. Debt write-off, and funding to meet level of need, are needed to deliver the ‘level playing field’ with privatisation.

John Healey promised MPs the need for a funding agreement that meets councils’ real spending needs, to make possible a much bigger new build and refurbishment programme.

A DECISIVE CASE

The new Report from the Council Housing Group of MPs makes the decisive case for Investment in council housing and Fair Funding for councils.

- Council housing is being robbed – £68 billion in rent and receipt robbery since 1979 – more than enough to pay off the total historic debt and meet the investment backlog;
- No new government money has been invested in ALMOs – council tenants collectively pay out of their own rents for the capital costs of decent homes;
- Major Repairs Allowance needs a 75% increase and Management allowances a 40% increase to meet existing need;
- A massive programme of new first class council house building is the fastest, most economic and effective way to meet housing need and create useful jobs;
- The Report also investigates the risks of self-financing.


South Cambs Against Transfer

Tenants in Scotland reject the policy of trying to get rid of council housing…tenants and councils alike want the unfair burden of housing debt to be written off by the Treasury.

Jack Dromey, Deputy General Secretary, Unite

"Never has the time been more right for a massive programme of sustainable investment in council housing – to get five million off waiting lists and to maintain high quality homes."

Heather Wakefield, National Secretary, Unison

Our council would build houses if given permission to do so... income would have made a huge difference and even now would make it much more practical for councils to build new homes.

Cora Carter, Chair, Kirklees Federation of TRAs

We don’t want special treatment, but the same opportunities as Housing Associations. We want to provide quality housing where people chose to live. We do not see why our tenants should be penalised for choosing to remain with the council.

Cllrs Rosemary Bowles, Chair of Scrutiny Committee, Bolton council

The MPs Report Council Housing: Time to Invest is packed with evidence from the MPs’ Inquiry on 25 February, in which 200 tenants, councillors, officers, academics and trade unionists took part. It’s a vital campaigning tool. Make sure local councillors, tenant and union activists, and local media in your area get a copy. Order copies of the report from Austin Mitchell MP House of Commons, London SW1A 0AA, phone 0207 219 6599 or email info@support4councilhousing.org.uk (£10 each; £5 for orders of 10 or more).
Government has finally admitted council housing is seriously under-funded and is prepared to do something about it. But their proposals fall short even against their own inadequate research. The government argues that some ‘robbery’ from tenants’ rents goes to support historic borrowing for building and capital maintenance of council housing, Supporting debt charges currently amount to nearly £1.2 billion a year. There is no justification for tenants being forced to finance all historic housing debt, as the MPs report shows past robbery by Government. The government proposes also come from a significant increase in allowances to meet the investment backlog — approximately £7 billion or another 19%, which is a result of under-funding and of deliberately withholding money where tenants have rejected privatisation. However, funding or allowances to meet the investment backlog must be included in any funding settlement, to stop the sell-offs and partial privatisation being forced through to finance improvement works. Otherwise government could later decide to divert the £7 billion grant money to something else — it is just as done with the money promised for ALMO housing.

In December 2007 the government announced a Review of Council Housing Finance with the commitment to “ensure that we have a sustainable, long term system for financing council housing”. This is a direct result of the campaign in support of the ‘Fourth Option’. Privatisation and Ministers’ dogmatic discrimination against council housing is deeply unpopular.

In July 2009 the Review reported, and the Housing Minister produced proposals for reform. The responses councils are making to these proposals show that while they are a serious step in the right direction, they do not go far enough. 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 takes more in rents than it returns in allowances to local authorities to manage, maintain and carry out major repairs (MRA) to our homes. 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 2009/2010). Government also takes 75% of the capital receipt from ‘right to buy’ sales; and makes councils bear the cost of the right-to-buy discount. Housing associations don’t bear these costs. Research for the MPs report Council Housing: Time to Invest shows that £68 billion has been robbed from council housing in this way since 1979.

On top of the money to fund historic debt, which tenants should not have to pay (see box opposite), government profits outright, currently by around £200 million a year. If nothing changes this will rise to over £1 billion a year, as the graph below shows. Everyone agrees this is wrong.

Government’s reform proposals would put more of our rents back into council housing. The proposals would increase M&M by 5% and MRA by an average 24%. But their own evidence published with the consultation suggests that 5% and 24% are far too low (see box right).

On major repairs, the government suggest additional capital grants to meet backlog of promising “Backlogs will be dealt with by capital grant programs, and a continuing need for capital grant is acknowledged to do this” — but without detail of where and when these will be paid. It is welcome that the government finally acknowledges the existence of this backlog, approximately £7 billion or another 19%, which is a result of under-funding and of deliberately withholding money where tenants have rejected privatisation.

While the government expects to recover the £7 billion grant money from sales of council housing to private developers, the Treasury in 2002 decided that it would not be possible to recover the £68 billion grant money from council housing.

The government does not attempt to recover public subsidy on housing from other tenures. Homeownership is the most heavily subsidised form of housing in England (Ends and Means, LSE, Feb 2007). There is no proposal to recover grant funding to Housing Associations; while the majority of the funding for housing in this year’s budget went to subsidise private developers. Why are only council tenants expected to pay back the Treasury?

“More than 30 councils have urged the government to write off housing debt as part of reform of the council housing finance system. At a meeting on Friday, the authorities said it was ‘unfair and unsustainable’ to expect new-council housing revenue account debt across all the councils that own housing, including those that are currently debt-free. The meeting was organised by the Campaign for Fair and Local Housing Finance, and held in Waverley.” (Inside Housing, 06/10/09)
“Lambeth Tenants Council is opposed to the self-financing proposal. We do not accept the claim that there are ‘winners and losers’ in the current HRA. There is only one loser – the council tenant, who should not be paying debt charges on a public asset – council housing. The government review should consider evidence from council tenants and councils as a whole – not arguments based on my council is worse/better off than yours.” ...We support retaining a greatly improved national system for funding council housing.”

Lambeth Tenants Council

4. An increase in allowances, and capital grants, to be included in the 2009 spending plans to show good faith;
5. Write off debt from councils to remove the rent robbery;
6. Fund a mass programme of first council house building;
7. Protect our affordable, secure, accountable council housing – a reformed national HRA is best for tenants

OIL HOUSE
ALS FALL SHORT

“...the current HRA and its successor planning to hit council tenants with bigger bills, to undermine employment rights, pay blackmail tenants and staff, and harder to resist market rents and attacks on ‘secure’ tenancies. Councils would be encouraged to drive down costs by undermining employment rights, pay and conditions.

Tenants are suspicious that self-financing, with its emphasis on ‘localism’, fits neatly into a wider agenda such as this: “Leaked minutes of a meeting of senior Tories reveal they want to hit council tenants with bigger bills, to eliminate “housing benefit and finally...”

“...the capital grant mechanism is used, then it is important that it is not used by way of an allocation rather than on a claims only basis...Capital grants would help with that but it is also important that future investment is reflected in... allowances...” (Bromford Cabinet agenda 13/10/09)

(See: www.defendcouncilhousing.org.uk/dch/dch_reform.cfm for more council responses)
WE ALL NEED COUNCIL HOUSING

In the budget this April the government announced funding for 900 new homes. They included 3,000 in July – though controversially taking money away from the Decent Homes programme to do it. It’s a major change in government policy.

But 3,000 homes is nowhere near enough. The private sector – even before the credit crunch – failed to provide the homes people need at a price they can afford.

With 1.8 million households – five million people – on housing waiting lists, councils are still demolishing estates, selling off council homes and land on the private market, or converting them to market renting, in some cases to raise money to improve other homes. This must stop. The costs of inadequate resources for existing homes must be addressed now, or more council homes will be lost in this way than are being built!

We need a massive programme of investment in housing for the nearly five million on waiting lists, the overcrowded and the stuck. It’s essential. These homes have secure tenancies, low rents and an accountable landlord. Council tenants have fought to defend decent, affordable secure and accountable council housing because the alternative ‘social’ and ‘affordable’ housing is less secure, more expensive and totally unaccountable. Local Housing Companies, Private Finance Initiative (PFI) and similar public-private schemes are not the answer.

A new generation of first class council homes built using best design and materials with good facilities, is essential to address the mass housing crisis. This would return council estates to the mixed, sustainable communities they used to be. The new MPs report (see page 3) sets out a detailed case for a million new council homes to resolve the housing crisis, create jobs, and help the economy.

COUNCILS CAN BUILD HOMES WE NEED

Extract from the House of Commons Council Housing Group new report Council Housing: Time to Invest:

The private housing market is in crisis, and cannot deliver the homes we need.

We need a mass programme of new council housing for political, social and economic reasons. Our inquiry showed that there is wide support from across the country for public money to be used to build new publicly-owned council housing.

Public land should be used to build public housing.

At a time when the government is spending up to £1 trillion of public money on other forms of intervention, we argue that direct public investment in new council housing will bring major social and economic benefits to tenants and to society. The social costs of not acting now in trouble, with private developers getting cold feet.

We welcome government’s agreement to open up grant to councils and free new homes from rent and receipt robbery; but this is not enough. To free councils to provide council housing on the scale required government must change the way public borrowing is calculated, and substantially increase funding available.

COUNCIL HOUSING AS ‘TENURE OF CHOICE’

A new generation of first class council homes, rather than neo-liberal social engineering, would end the shortage of secure housing people can afford.

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).

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).

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).

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).

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).

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).

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).

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).

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).

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).

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).

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.
AFFORDABLE TENANCIES

Calls to scrap ‘secure’ council tenancies and introduce means testing and time limits on tenants’ hard won rights persist. Those who support this neo-liberal agenda want council housing only for the desperate, allowing the private sector to assimilate areas of council housing land, and forcing everyone into home ownership or the private rented market.

In the last year a stream of think tanks, senior Tory politicians, consultants and others have echoed these arguments. The Tenant Services Authority, newly-formed with the remit of supporting tenants’ rights, published draft standards trying to weaken down security of tenure. (Building a new regulatory framework: a discussion paper, June 2009).

WE NEED ‘COUNCIL’ NOT ‘SOCIAL’ HOUSING

Politicians talk about ‘social’ and ‘affordable’ housing pre- tending it’s the same as council housing. So-called ‘affordable’ housing, which includes various ‘shared-owner- ship’ schemes, usually isn’t affordable at all.

“The Government’s use of ‘affordable’ is an affront to the English language. To the ODEPM Enquiry into Affordability and the Supply of Housing the term simply means ‘housing below low market price or rent’ (how much below? 1%, 30%, 80%?).” (Professor Peter Ambrose, University of Brighton, in The Case for Council Housing, DCH 2006)

A recent report on shared-ownership found that ‘Low-Cost Home Ownership’ schemes, despite massive public subsidies poured into them, were often unaffordable. (Achieving Mobility in the Housing Market: Moving up and Moving on?, Joseph Rowntree Foundation, November 2008).

Council housing gives tenants unique rights: a stronger ‘secure’ tenancy, lower rents and a democratically elected landlord to hold to account. It is not dependent on the private money market.

That’s why so many tenants have rejected privatisation and the bullying and blackmail to go to a Registered Social Landlord (RSL) or Housing Association (HA). 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.

“Forty-six per cent of housing associations have experienced problems renewing their loan facilities or securing funding for new schemes, auditors have warned… the financial crisis has deepened and spread throughout the sector in the past year. Ninety-four per cent now expect their peers to suffer significant financial difficulty”, compared with 75 per cent in Baker Tilly’s 2008 survey. Eighteen per cent said they had considered or implemented a redundancy programme…” (Inside Housing, 05/06/2009).

“The housing market crash prompted plummeting surpluses, and £75.5m million impairments and write-downs on land and property among social housing and housing cooperatives.” (Inside Housing, 09/10/2009)

Housing associations use tenants’ homes as security for borrowing. 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!

Council tenants have ‘secure’ tenancies because we campaigned for and won these rights. Every recent attack on security of tenure has been met with a robust and angry response from tenants, MPs, housing professionals and academics.

The government currently accepts that significant cuts in housing investment and output must stay. The Chartered Institute of Housing (CIH) and the Tenant Services Authority (TSA) have abandoned their attacks on tenants’ rights. CIH now call for an end to the promotion of home-ownership for all (CIH Press release, 29 June 2009). This month the TSA backed off earlier threats – now saying that landlords “must offer and issue the most secure form of tenure” and define the line “the use of lossy secure tenancies may be justifiable in areas where demand for homes significantly outstrips supply.” (A new regulatory framework for social housing in England, a statutory consultation, November 2009).

We have to keep up opposition, and campaign to ensure that we see off any further attacks, as we have over the last four years. In 2006 the Smith Institute in a ‘Rethinking Social Housing’, argued council housing encourages ‘dependency’ and should only be available as a short term emergency fallback. The report explicitly linked ending security of tenure with a call for private companies to profit from public land.

Ruth Kelly, then Secretary of State, enthusiastically followed up offering to help tenants into home ownership (February 2007). She wanted Professor John Hills to recommend an end to ’secure’ council tenancies in his ‘Review of Social Housing’, but he refused. Caroline Flint, Housing Minister for a short time in 2008, made herself very unpopular by calling for ‘commitment contracts’. In October 2008 the Chartered Institute of Housing proposed means tests and time limited tenancies (‘Rethinking Housing’).

Council tenants currently entitled to Housing Benefit could be hit by proposals to cap how much rent Housing Benefit might cover and to force claimants into (low paid) work. The Department for Work and Pensions white paper on welfare reform includes proposals to ‘introduce absolve rent levels or time-based benefits – requiring tenants to move to cheaper accommodation after a period’ (Inside Housing, 12 December 2008). This would restrict the poorest tenants to the most run-down estates.

Distribute this newspaper and organise a public meeting in your area to mobilise tenants to defend our ‘secure’ tenancies. (For more information see ‘Defending Principles’ link on DCH website.)

We need to get out a strong message to tenants in ALMO authorities like Oldham (my own constituency) and Warrington now being pressured by privatisation by stock transfer. Elected councils should be standing by their tenants to make sure that the Review delivers the promised settlement to make council housing sustainable.” -- Michael Meacher MP

At long last the wind may be starting to change. Our task now is to inject some real ambition and urgency so that sufficient council houses can be built, and existing homes can be properly maintained and modernised. Decent homes and decent jobs – this is the challenge that Defend Council Housing, the TUC, and the MPs who have worked hard to produce this timely report hold all share… together we can succeed.” Frances O’Grady, Deputy General Secretary, TUC

The policy pursued by successive governments that social housing should be provided by housing associations and that local authorities should be compelled to divest themselves of their housing stock…has been an unmitigated failure and has continually failed to provide sufficient social housing units to meet demand…Congress calls on the General Council to campaign, working to include the widest possible range of like-minded organisations….i) to ensure local authorities are the primary deliverers of social housing…ii) for further investment in local authority housing…iii) for an expanded programme of affordable social housing…iv) for a significant increase in the number of council houses for rent being built…v) for councils to be properly funded and allowed to borrow…” Motion passed by TUC Congress September 2009

AFFILIATE AND ORDER MATERIAL FROM DCH

Name:..........................................................................................................................
Address:..................................................................................................................
.......................................................... .....................................
.......................................................... .....................................
.......................................................... .....................................
.......................................................... .....................................
Telephone:...................................................... Email:...............................................
National newspaper:........................................... Amount £.................................
Pamphlets .................................................................. Amount £.................................
Affiliation fee ........................................................ Amount £.................................
Mailing Subscription .......................................... Amount £.................................
Donation.................................................................. Amount £.................................

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

We need to get a strong message to tenants in ALMO authorities like Oldham (my own constituency) and Warrington now being pressured by privatisation by stock transfer. Elected councils should be standing by their tenants to make sure that the Review delivers the promised settlement to make council housing sustainable.” -- Michael Meacher MP

At long last the wind may be starting to change. Our task now is to inject some real ambition and urgency so that sufficient council houses can be built, and existing homes can be properly maintained and modernised. Decent homes and decent jobs – this is the challenge that Defend Council Housing, the TUC, and the MPs who have worked hard to produce this timely report hold all share… together we can succeed.” Frances O’Grady, Deputy General Secretary, TUC

The policy pursued by successive governments that social housing should be provided by housing associations and that local authorities should be compelled to divest themselves of their housing stock…has been an unmitigated failure and has continually failed to provide sufficient social housing units to meet demand…Congress calls on the General Council to campaign, working to include the widest possible range of like-minded organisations….i) to ensure local authorities are the primary deliverers of social housing…ii) for further investment in local authority housing…iii) for an expanded programme of affordable social housing…iv) for a significant increase in the number of council houses for rent being built…v) for councils to be properly funded and allowed to borrow…” Motion passed by TUC Congress September 2009

The policy pursued by successive governments that social housing should be provided by housing associations and that local authorities should be compelled to divest themselves of their housing stock…has been an unmitigated failure and has continually failed to provide sufficient social housing units to meet demand…Congress calls on the General Council to campaign, working to include the widest possible range of like-minded organisations….i) to ensure local authorities are the primary deliverers of social housing…ii) for further investment in local authority housing…iii) for an expanded programme of affordable social housing…iv) for a significant increase in the number of council houses for rent being built…v) for councils to be properly funded and allowed to borrow…” Motion passed by TUC Congress September 2009
OUR CAMPAIGN CAN WIN

Tenants have fought off numerous attempts to introduce market rents, reduce our security and take away our rights. Where we are strong and well organised we have stopped privatisation.

Now we have government promises to put up more money and to build new council homes. A broad united campaign of all those who oppose privatisation can win. We need to keep up the pressure to defend our homes and our rights, and to win the investment we need.

The best campaigns have been big and bold: leafleting every home and getting posters up; holding public meetings and getting press, radio and TV (see page 3 on winning a NO vote).

WE CAN STOP PRIVATISATION

What to do if your council is pushing transfer

Minister John Healey announced a partial moratorium on large-scale transfer in December.

Most councils will not be able to get permission to transfer until after the reform proposals are implemented. And they have promised a level playing field with no more subsidies for transfer. However, there are exceptions!

Some areas are shamefully continuing to privatise while subsidies are still available – see list on page 3. Others facing PFI include Newham, Southwark, Hull. And there is a threat to privatise all Northern Ireland’s public housing. If your authority is pushing transfer, get in touch for information about the local campaign or help start one!

Campaign in your area – privatisation is still a risk. Make sure your council doesn’t get away with stock transfer, PFI, or selling off empty homes. Contact us for help.

Distribute this newspaper to tenants, trade unionists, councillors and others concerned about housing.

BROAD BASED AND UNITED

DCH brings together tenants, trade unionists, councillors and MPs on a broad united campaign which will 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 get organised. See page 7 and DCH website or contact us for more information.

All of us – with retained council housing, ALMOs (and some with both)! - need to work together to hold government to its promises: a ‘sustainable’ future for council housing.

WE CAN WIN INVESTMENT

What to do if your council is offering self-financing

The government is to offer a ‘self-financing’ settlement to each council with council housing, it will bring more money for council housing – but it will also bring risks.

This is a one-off deal for thirty years. Tenants and councillors need to be fully informed on the benefits and the risks; whether to accept the deal - or reject it and call for increased allowances within the national system. This would be safer; we could fight on for more concessions. Councils have a duty to consult tenants on this change. Tenants have a right to expect guarantees are given in writing as part of the consultation.

Make sure you get answers to the questions below on what the self-financing proposal really means. Organise a meeting to debate the pros and cons of offering self-financing to your council. Contact us for more advice.

Affiliate to Defend Council Housing – see page 7

Get your MP to sign the new Early Day Motion 332. Provision of Local Authority Housing and support the campaign http://edm.parliament.uk/EDM4/EDMDetails.aspx?EDMID=39892&SESSION=903

SELF-FINANCING: QUESTIONS TO ASK YOUR COUNCIL

- How much extra money will the council have to spend? How does this compare to the present subsidy system?
- How much extra money would we have if the allowances were increased within a national system?
- How does this compare to the amount the council need to spend over 30 years? Is there enough allowed for unforeseen problems?
- What interest will the council have to take on; and by what year does it expect to be able to repay that debt? What guarantees can they give tenants that a safe loan will be taken out, not risky forms of speculation?
- How much of the extra money the council projects self-financing will bring, will come from the uplift in allowances? And how much is uncertain?
- If the proposal relies on capital grant for backlog – how much of this grant is the government offering to give to the council – when will it be paid and how?
- How much would interest rates and inflation have to differ from projections, before finances cease to be viable?
- What safety net will there be if things go wrong?