

# Defend Council Housing



March 2010 35p

# INVEST IN COUNCIL HOUSING

**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 effi-

ciency 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 some the funding needed.

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

## Defend Council Housing

March 2010

# A MANIFESTO FOR COUNCIL HOUSING

- **Protect existing secure tenancies and low rents**
- **Stop the robbery – reinvest all rents and receipts into council housing**
- **Funding 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**



Defend Council Housing PO Box 33519, London E2 9WW Phone: 020 7987 9989  
Email: [info@defendcouncilhousing.org.uk](mailto:info@defendcouncilhousing.org.uk) Website: [www.defendcouncilhousing.org.uk](http://www.defendcouncilhousing.org.uk)

Demand support for this Manifesto from any politician who wants your vote (see over)

## Hold government to these promises:

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

**Yvette Cooper, 12 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**

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.

## INSIDE:

● The case against transfer **page 2**

● MPs say: Time to invest **3**

● Reform of council housing finance: Proposals fall short **4-5**

● Why we need council housing **6-7**

● What you can do **7-8**

● Self-financing: questions to ask **8**





Government now admit council housing is underfunded, and are putting real money on the table for the first time – that's huge progress. United 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**

# STOP THE BULLYING AND THE BLACKMAIL

## Ensure fair and balanced debate

**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 melt down, 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

At last 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 number of councils rush to privatise their homes now while subsidies are still available.

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 Ministers promised. Demand councillors join tenants to put your case to ministers.

### 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 avail-

able 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, community 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.

● See DCH website for more on ‘stock options’

**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, taking down material opposing their proposals; refusing to debate and denying opponents access to addresses 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, councils are legally obliged to follow it. The code of practice says: “Local authorities should ensure that the information provided gives a full, fair and objective picture of the proposed transfer” (Annex 1:3). “The [offer] document should explain that, although transferring tenants will have broadly similar rights, some rights will be lost while others will be provided by contract rather than by statute” (para 16).

“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) [www.communities.gov.uk/publications/housing/tenantconsultationguidance](http://www.communities.gov.uk/publications/housing/tenantconsultationguidance)

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) – FS50082890 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’. Most 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’.



Tenants and trade unions campaign against sell offs of council homes

# 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. During the passage of the Housing and Regeneration Bill many lobbied Parliament for the right to become profit-making companies, and several want to float on the stock market (see *Inside Housing*, 13 November 2009).

“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 91 per cent since 2001” (*Inside Housing*, 25 September 2009)

### 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 businesses diversifying into non housing activities. Many ‘local’ associations are swallowed up by monolithic 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 associations got 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



“It is time to put council housing back at the heart of housing provision, and to invest in a new generation of first class council housing. The Government must deliver a genuine level playing field for council housing. Councils and tenants will not be fobbed off again with half-measures, and MPs will not vote to impose an unsustainable deal. We're nearly there but we must still campaign for fast delivery, a big build and for the fair deal we've been fighting for for so long.” **Austin Mitchell MP, chair, House of Commons Council Housing Group**



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

## 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 **Southampton, 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 urged the need for a funding settlement that meets councils' real spending needs, to make possible a much bigger new build and refurbishment programme.

“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**

“The quickest and best way to meet housing needs and to demobilise the growing armies of unemployed construction workers is by way of a major programme of council house building.” **Jack Dromey, Deputy General Secretary, Unite**

### 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: Time to Invest* brings together evidence from tenants, housing workers, trade unions and officers, councillors and MPs, combined with new research. It shows:

- 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.

“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.” **John Carracher, Convenor, Scottish Tenants Organisation**

“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.” **Cllr Rosemary Bowler, Chair of Scrutiny Committee, Bolsover 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 4559 or email [info@support4councilhousing.org.uk](mailto:info@support4councilhousing.org.uk) (£10 each; £5 for orders of 10 or more)

## Don't let councils privatise

### Areas facing transfer (not included in moratorium)

- Dacorum
- Flintshire
- Hull (North Bransholme)
- Lambeth (Latmos)
- Lewisham (Excalibur)
- Neath Port Talbot
- Newcastle (Byker estate)
- Vale of Glamorgan
- ALMOs:
- Bolton
- Oldham
- Stockton
- Warrington

## 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.”

**Gordon Brown speaking to Local Government Network conference, 29 January 2009**

“It's when tenants are saying we need more public housing, we have to change the present system [of financing council housing], that I know we ...have to go further and faster.”

**Housing Minister John Healey, 27 October 2009, Central Hall Westminster**



“Any area can win the ballot, if the campaign is well organised”

## 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 – but any area can win the bat-

tle 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 me. 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 Kelleway, South Cambridgeshire Against Transfer**

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





“ Moonlight Robbery believes that the lowest reasonable MRA increase is 70%. This would be on the strict understanding that major repairs backlogs and statutory compliance costs will be covered by a separate capital programme. The Review carried out no new research ... it just looked at current spending. Uprating figures from the most recent available (2002) research commissioned by Government on the ‘need to spend’, M&M need to go up by 40%. Unless and until that research is authoritatively revised, this remains the target.” **Moonlight Robbery campaign**

## WHAT WE DEMAND

1. An immediate moratorium on all stock transfers, options appraisals – and the demolition and selling off vacant council homes driven by funding need;

2. Fully funding allowances at level of need, to ensure every council home and estate is improved and permanently maintained at a decent standard;

3. Guaranteed capital funding to meet all the improvement backlog;

# REFORM OF COUNCIL FINANCE: PROPOSALS

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.

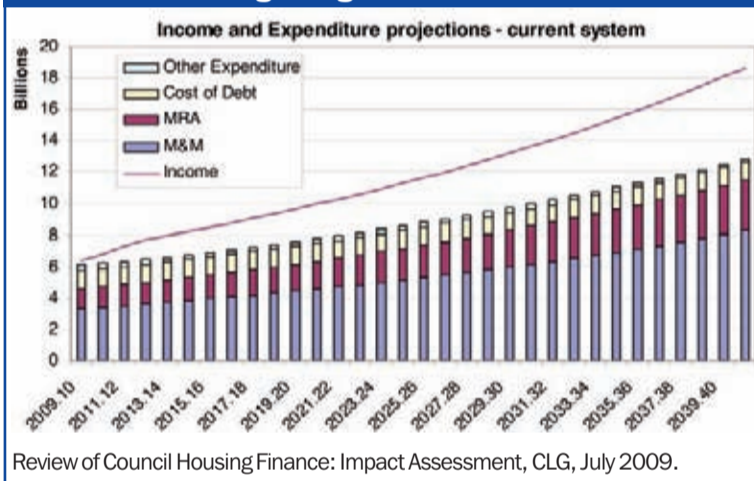
It is a scandal that the Treasury takes money from tenants’ rents and right to buy receipts – treating council housing as a ‘cash cow’. It takes more in rents than it returns in allowances to local authorities to manage, maintain (M&M) and carry out major repairs (MRA) to our homes. Nationally, this 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).

Future Robbery – how rents (‘income’) will rise above allowances if nothing changes



Review of Council Housing Finance: Impact Assessment, CLG, July 2009.

On major repairs, the government suggest additional capital grants to meet backlog of promising “Backlogs will be dealt with by capital grant programmes, 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. 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 – as it is has just done with the money promised for ALMOs.

Government proposals also come with strings attached. ‘Self-financing’ proposals mean councils leaving the national system with a one-off settlement: in most cases a payment to government which means taking on or increasing their current debt. Self-financing is risky for tenants and workforce; and the higher the opening debt, the greater the risk. The value of each council’s opening debt will be based on rents and costs over 30 years. Previously, in a stock transfer valuation it was based on the actual costs needed – considerably more than existing allowances plus only 5% and 24%.

The current national council housing debt is around £18 billion. It

## FULLY FUND ALLOWANCES

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’s own research (*Review of the major repairs allowance*, CLG July 2009) concludes: “The final figure of £1,032 per dwelling is 54 per cent higher than the current average allocation of £668.” This is made up of newly arising need; a backlog of £6.5 billion overall; and ‘statutory compliance’ which includes essential works like removing asbestos, disabled adaptations and complying with health and safety regulations (£5 billion overall). The government’s proposals ignore most of this and offer just 24% for MRA.

Government research (*Evaluation of management and maintenance costs in local authority housing*, CLG, July 2009) divided management and maintenance into ‘core’ services like rent collection and day-to-day repairs; ‘core-plus’ services like anti-social behaviour; and ‘non-core’ services which should be met by council-tax payers from the general fund. In

### How the government proposals stack up

MAJOR REPAIRS (£ per home per year)			
	Existing MRA allowance	Government research recommends:	Government offer:
Newly arising need		£825 (24%)	£825 (24%)
Backlog		£116 (19%)	May be able to apply for grants
Health and safety works		£91 (11%)	None
TOTAL	£668	£1,032 (54%)	£825 24% uplift
MANAGEMENT & MAINTENANCE			
		Government research recommends:	Government offer:
Core services		5%	5%
Environmental maintenance/ ‘core-plus’ services		Unspecified amount – needs more research	Ignores this altogether
Residual leasehold management		Unspecified amount – needs more research	Ignores this altogether
‘Non-core’ services		Should be funded by the general fund not tenants rents	No concrete details
TOTAL		10%	5%

particular there has been no allowance in M&M for environmental maintenance, or for the extra costs which often fall on tenants because leaseholder service charges do not include the full cost of services. The Chartered Institute of Housing

estimates that including these ‘core-plus’ services the uplift should be 10% in total (HRA Reform: the really big issues); however the government ignores most of the evidence, proposing an inadequate 5% uplift in M&M for core services alone.

## DROP THE DEBT

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 sets out in detail (*Council Housing: Time to Invest*, September 2009):

1. New research for the MPs group shows past robbery by Government from rents and right-to-buy sales is £68 billion – more than enough to pay off the debt and meet the investment backlog.

2. Government takes over any outstanding debt (and pays gap funding) when councils stock transfer their homes. Government has been prepared to dig deep to subsidise privatisation: over £6.5 billion has been spent subsidising transfer since 1988. They must respect the choice of tenants who choose to stay with the local authority by offering a level playing field on debt write-off.

3. Like hospitals and schools

council housing belongs to the public. Tenants do not have a financial ‘interest’ in the asset and should not carry the burden of servicing the debt.

4. 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 redistribute 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 class council house building;

7. Protect our affordable, secure, accountable council housing – a reformed national HRA is best for tenants

# COUNCIL HOUSING PROPOSALS FALL SHORT

“Shelter supports the view...that councils should be free from the constraints of historic ‘notional debt’...It is...reasonable that the cost of building the homes should be borne by the taxpayer in the same way as public subsidy for housing in other tenures, such as investment in homes built by registered social landlords and private developers; subsidised low cost home ownership; or capital gains tax relief...” (Shelter, response to consultation)

“[Self-financing] places the risk of fluctuating interest rates firmly within the HRA. There will need to be a measure of comfort built into the financial settlement to reflect this significant risk.” (Sheffield Cabinet, 14/10/09)

“It is vital that the future investment needs for each authority are drawn from an independently produced stock condition survey and that the opening debt for each authority is based on being able to deliver the level of investment indicated. That has been the ‘rule’ for transfers historically and why should it change now...” (Bolton council, Report to Executive, 29/09/09)

“The areas of concern that will need to be satisfied are: (i) That the debt associated with self-financing is no more than would have been the case if stock transfer was the preferred route... This would allow tenants to benefit from the new system in a similar way to the benefits that stock transfer would have brought...if the concerns cannot be negotiated then we should oppose the new system and force the Government to legislate.” (West Lancashire council, Report to Cabinet, 15/09/09)

“LTF members are particularly concerned that the self-financing proposal could result in higher levels of debt for councils than currently exists, particularly if interest rates rise...the consultation paper provides an inadequate response to the key issues for London tenants...While the proposed £700 million increase in funding is inadequate...the LTF would like to see this money allocated immediately...for 2010/11” (London Tenants Federation, response to consultation)

“If the capital grant mechanism is used, then it is important that this is by way of an allocation rather than on a claims only basis...Capital grants would help with the backlog but it is also important that future maintenance is reflected in... allowances...” (Broxtove Cabinet agenda 13/10/09)

(See [www.defendcouncilhousing.org.uk/dch/dch\\_reform.cfm](http://www.defendcouncilhousing.org.uk/dch/dch_reform.cfm) for more council responses)

## Past Robbery from Rents and Right-to-buy Sales

### a) TOTAL ROBBERY

£ millions  
 £32,557 Right-to-buy discount 1979/80 – 2008/09  
 £4,766 Right-to-buy receipts 1979/80 – 2008/09  
 £31,329 Rent robbery 1994/95 – 2008/09  
 (difference between rents and allowances)

**£68,652 TOTAL**

### b) ‘OUTRIGHT’ ROBBERY (EXCLUDING RENTS USED TO SUPPORT HISTORIC DEBT)

£ millions  
 £32,557 Right-to-buy discount 1979/80 – 2008/09  
 £4,766 Right-to-buy receipts 1979/80 – 2008/09  
 £7,854 ‘Outright’ robbery 1994/5 – 2008/9  
 (incl. projected cumulative impact of putting HRA surpluses into HRA)

**£45,177 TOTAL**

(From MPs Report, *Council Housing: Time to Invest*, page 21)

“We believe the government should take a further look at factoring in a greater (10%) uplift for services to bring council housing funding in line with housing associations. CIH supports a significant uplift in funding for future major repairs at the full level identified by BRE, a minimum of 43%.” (Chartered Institute of Housing)

off and gap funding were poured in to subsidise privatisation. Tenants will not accept a settlement which perpetuates the principle of rent robbery by increasing the £18 billion total debt. Nor will we accept a proposal which reduces the debt burden overall but leaves individual councils with unsustainable levels of debt.

It is welcome that government talks explicitly about a ‘level playing field’:

“Self-financing would create a level playing field between transfer and retention in terms of public fund-

ing support.” (CLG Reform of council housing finance para. 4.60)

At last the government are to stop pouring public money into subsidies for stock transfer, as we demanded. Most commentators believe this will effectively put an end to large-scale transfer. But every council must have enough funding to bring all homes and estates to a decent standard, and maintain them. Without this, the threat of privatisation and sell-offs will remain.

That’s why Defend Council Housing is demanding an immediate moratorium on all stock transfers, options appraisals – and the demolition and selling off vacant council homes driven by funding need. It makes no sense for councils to continue expensive and wasteful privatisation and PFI schemes when funding for improvements and new build is available or pending. And government must not use these schemes as an excuse to under-fund the settlement being offered.

Ministers continually say they are in favour of tenants’ choice. Those of us who have chosen to stay with the council should not now be penalised and expected to put up with a settlement which is less than the government was prepared to offer to subsidise transfer, PFI and ALMOs.

To ensure the ‘sustainable’ future that Ministers promised any Reforms must include the demands listed above. We have come a long way and the government are making serious concessions. Make sure your council, tenants group or union is part of the fight to win the rest.

## Wales and Scotland

As we predicted, Wales is following England in reviewing its system of housing finance – get involved NOW to make sure they don’t insult tenants by offering too little as they did in England.

Scotland already has a self-financing system – but this doesn’t mean council housing is adequately funded. Historic debt needs to be written off in Scotland too! Don’t let politicians get away with increasing resources in England and Wales but not in Scotland.

## NO RISKY SELF-FINANCING

One option in the proposals is to raise allowances within the present national system. However, the government’s preferred option is to break up the national Housing Revenue Account and get councils to become ‘self-financing’. Self-financing means risk for councils and tenants.

There are plenty of disadvantages for councils opting out. Firstly, the reform proposals are themselves evidence that together council tenants are a powerful national force. Self-financing would further fragment a national council housing sector and undermine national organisation of tenants and the workforce, making it easier to bully and 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

“This process also passes the risk of managing the business plan objectives to local Councils, which means that any change to economic conditions that impact on delivery of these will need to be managed locally; this transfer of risk will need to be funded to be acceptable.” (Lambeth council, response to consultation, 26/10/09)

scrap all long-term rental tenancies.” (*Daily Mirror*, 07/09/09)

Secondly, with self-financing the local authority – and so ultimately council tenants – would be exposed to far greater financial risks.

These include changes in interest rates, building cost and pay inflation, right-to-buy levels, and unforeseen circumstances. To understand the kind of risk government wants to expose council tenants to you only have to look at the Registered Social Landlord sector. One-fifth of transfer associations get into trouble despite massive subsidies when they are set up (*The Guardian*, 25/05/05).

If a local authority gets into financial trouble after self-financing, where does that leave tenants? There may be no more incentive to large-scale voluntary transfer – but councils in financial trouble could still look to partial transfer, PFI schemes, demolition – and the selling off of vacant properties on the private market.

Self-financing supporters want the benefits of long-term 30 year funding assumptions, including new homes, better planning and more local accountability. But it is not necessary to ‘opt out’ of the HRA to achieve these benefits; increased resources and more stability can be delivered within the existing pooled regime.

The government proposals suggest a public-sector safety net for councils which fail after self-financing (sections 4.37 – 4.42). But even with guarantees and safeguards the present proposal would not justify the risks of self-financing. A reformed national system would be much safer – an uplift of 5% and 24% in the allowances, though not enough, would make a big difference, and we would be able to fight on for more.

A reformed national system is our preferred option.



“Over a million people are currently forced to live in inappropriate accommodation and are in desperate need of decent, secure public housing. The Government has begun to provide limited funding for new building council housing but far more investment is urgently needed to meet demand and overturn decades of neglect.” **Alan Ritchie, general secretary, UCATT**



# WE ALL NEED COUNCIL HOUSING

**In the budget this April the government announced funding for 900 new homes. They increased this to 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 be-

fore 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

problem of inadequate resources for existing homes must be addressed now, or more council homes will soon 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 land-

lord. 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 massive 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. The social costs of not acting are enormous, while using councils to deliver council housing has direct benefits to tenants and to society. The costs of a large-scale programme of council homes would be less than the costs of not building them. Not build-*

*ing one million new council homes could cost £21.5 billion a year in the direct and indirect costs of homelessness alone.*

*Councils can build more cheaply than RSLs and private-public partnerships. There is no justification for pouring good public money after bad. In the obsessive drive to increase home ownership, RSLs and private builders have been supported by government through the boom years in the form of direct public subsidies, disposal of public land, favourable planning gain deals, debt write-offs, grant funding financed by sales of council housing assets, and so on – yet they have not delivered the homes the country needs. We need a complete change of policy.*

*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.*



**Haringey tenants campaign against demolition of sheltered housing**

## 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 hous-

ing 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.

## LOCAL HOUSING COMPANIES: NO SOLUTION

**Government promotes a succession of private finance schemes for housing, despite the failure of PFI in housing. Local Housing Companies (sometimes also called 'special purpose vehicles' or 'local development vehicles') are now in trouble, with private developers getting cold feet. Such schemes – from regeneration to Local Housing Companies – rely on private finance,**

**and depend on the profits to be made from sale of new build homes. These schemes are risky for councils, and 'bad value'. They use public land to build only an (often small) proportion of homes for rent, and no council tenancies.**

The Public Land Initiative is the latest scheme, meaning councils providing free public land and subsidies to get cheaper building by for-profit developers and builders. It makes far

more sense to put public grants into public (council) housing. With half of all housebuilding now publicly subsidised, conditions should be attached to demand council homes and finance in return for public support to any housebuilder, developer or bank.

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 proposed 25% of the new homes for rent (with RSL 'assured' not council 'secure' tenancies), is based on house prices going up by 2.5%. If house prices fall the whole LHC could become unviable.

With house prices and inflation unstable and the cost of borrowing rising, the picture is likely to end up even worse as developers and lenders insist on protecting their profits.

Public/private partnerships have a disastrous track record. Impressive sounding objectives to meet public need gets scaled back, 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.





“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 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**

# DEFEND SECURE, 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 asset strip council homes and 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 water down security of tenure. (*Building a new regulatory framework: a discussion paper*, June 2009).

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 security of tenure is important and 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 deleting the line “the use of less secure tenancies may be justifiable in areas where demand for homes signif-

icantly 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 ‘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 absolute 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.)

“There are cash subsidies for homeowners, too. Low-cost home ownership, renovation grants and income support for mortgage interest together cost the taxpayer well over £1 billion each year. And both homeownership and the private rented sector also get hidden subsidies. Although owner-occupiers no longer get tax relief on their mortgages, they get very substantial relief from capital gains tax. Private landlords... get mortgage interest tax relief, as well as tax relief on the costs of repairs and management... Applying the label [‘subsidised’ housing] only to social housing tenants is not just a slur on the tenants, but also happens to be completely wrong.” John Perry, policy advisor to the Chartered Institute of Housing, *Inside Housing*, 06/11/09

## WE NEED ‘COUNCIL’ NOT ‘SOCIAL’ HOUSING

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

“The Government’s use of ‘affordable’ is an affront to the English language. To the ODPM Enquiry into Affordability and the Supply of Housing the term simply means ‘housing below 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 Intermediate Housing Market: Moving up and Moving on?*, Joseph Rowntree Foundation, November 2008).

Council housing gives tenants unique rights: a stronger ‘secure’ ten-

ancy, lower rents and a democratically elected landlord easier 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 £75.4 million impairments and write-downs on land and property among social housing’s biggest developers.” (*Inside Housing*, 09/10/2009)

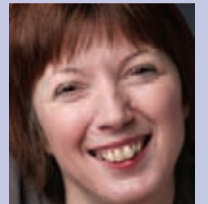
Housing associations use tenants’ homes as security for borrowing. Councils are far from perfect but they are more accountable, less distorted by commercial business practices, can access cheaper borrowing and pay less fat cat salaries.

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!

“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 all share... together we can succeed.” **Frances O’Grady, Deputy General Secretary, TUC**



**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

**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 newspaper**  
£20 per 100 / £120 per 1000

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

**House of Commons Council Housing group report ‘Council Housing: Time to invest’** £10 (or £5 for orders of more than 10 copies)

**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**

**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



“ We would not have the focus of government if it was not for the campaigning activity of DCH... We are winning, and that is much due to the work of DCH and the unions. This needs your practical support.”  
**Gail Cartmail, Assistant General Secretary, UNITE**

# 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).

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.

To push through privatisation councils may try to undermine the best traditions of the independent tenants movement. It's important that tenants representatives are elected by and representing ordinary tenants, and are mandated and accountable. There are signs of a revival of independent tenants organisations prepared to ignore the flattery and refuse attempts to restrict our democratic rights to speak and organise.

We expect and demand that our landlords provide funds from our rents to finance an independent tenants movement, with no strings attached.

**BROAD BASED AND UNITED** DCH brings together tenants, trade unionists, councillors and MPs on a broad basis. 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 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 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

“ Having forced a Government review of social housing policy, Defend Council Housing needs our increased support to achieve real change. I urge every individual and organisation, wanting action to deal with the housing crisis, to affiliate to DCH and support the demand for a public sector building programme.”

**Mark Serwotka, General Secretary, PCS (civil servants' union)**

“ I am against stock transfer because I smell a rat. No-one is interested in running a business and not make a profit. So I don't believe them when they say 'not for profit housing mutual'. I believe in the 4th option, and am a firm believer in the statement 'better the devil you know.'”

**Julie Arnold, Neath tenant and chair Neath Port Talbot DCH Campaign**

## 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 proposals and rally support for council housing locally – contact us for a speaker.
- 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://edmi.parliament.uk/EDMi/EDMDetails.aspx?EDMID=39892&SESSION=903>

**Tenants, trade unionists, councillors and MPs demand:**

**'FOURTH OPTION' for COUNCIL HOUSING**



## 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?
  - How much debt will the council have to take on; and by what year does it expect to be able to repay that debt? What guarantee 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?
  - A future government may want high rent rises, means-tested rents or caps on housing benefit; and self-financing fits into that agenda. What guarantee can the council give us that they will keep rents affordable?
  - What guarantees can the council give us that our rent money will be ring-fenced to be spent on our homes, not used to subsidise council tax?
- There is a more detailed list of questions available for downloading from our website, which you can print out and use to give out at meetings or circulate to tenant reps and councillors.*