Defend Council Housing

SELF-FINANCING: QUESTIONS TO ASK YOUR COUNCIL

The government is to offer a 'self-financing' settlement to each council with council housing. Councils have a duty to consult tenants on this change. 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. Tenants have a right to expect guarantees are given in writing as part of the consultation. Make sure you get answers to these questions:

- How much extra money will the council have to spend on our homes over 30 years if it accepts the self-financing settlement? How does this compare to the amount it will have to spend if the present subsidy system continues with no change in allowances?
- How much extra money would we have if the allowances were increased within a national system?
- How do these figures compare to the amount the council need to manage, maintain and do major repairs on our homes over 30 years? Can the council deliver the major repairs its "stock condition survey" says is necessary without cuts? Is there enough allowed for unforeseen problems?
- How much debt will the council have to take on to pay for the settlement and deliver the proposed capital programme; and by what year does it expect to be able to repay that debt? What guarantee can they give tenants that a fixed-rate, long-term repayment 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?
- The council will have made its projections based on assumptions – guesses – about interest rates and inflation for the next 30 years. How much would interest rates have to rise, and/or how much would inflation have to fall, before cuts would have to be made or finances cease to be viable?
- What safety net will there be in the self-financing agreement if the worst happens and things go wrong?
- Much of the benefit of self-financing depends on rent rises. 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?

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