

# Edinburgh Against Stock Transfer

# VOTE NO TO PRIVATISATION



**EDINBURGH COUNCIL wants to sell off our homes for just £941 each – it's a scandal. They say we can have millions of pounds worth of improvements to our homes, AND have lower rents. It's a con.**

They don't tell us that stock transfer is privatisation and that the banks will be making a profit out of what is now a public service. Council housing may not be perfect but it has served generations well. As council tenants we have a special relationship with our landlord. If we don't like the way they manage our homes, we can vote them out at the next election. But the City of Edinburgh Housing Association will be run by a board of directors who will be accountable to the company, not to tenants.

Transfer is risky. Housing associations operate in the big business world



of private finance, where they are under increasing pressure to expand, merge, and 'diversify' into building luxury homes for private sale. If CEHA breaks their promises we won't have any redress: the offer document is a contract between the new landlord and the council – not between the new landlord and tenants.

The money is there to do up our homes, and to build the new affordable housing Edinburgh so badly needs. There is £320 million of public money available to write off the council's historic debt if we transfer; and a further £200 million in grants to build new homes. They try to blackmail us by saying they will only do this if we agree to transfer.

It doesn't make any sense. Council housing is cheaper to build, manage and maintain than 'social' housing. If they provided a level playing field and made the same money available to the council direct, there would be more than enough to bring our homes up to the Edinburgh Standard, do the environmental improvements on our estates, and provide new affordable housing.

**Don't take the risk – if you don't know, vote NO!**

## There is an alternative

TRANSFER IS DEEPLY unpopular across the UK. Out of 32 councils in Scotland, only three have transferred their homes, and two of those are already experiencing problems. The majority of the 29 authorities who have to make a decision have chosen retention. Dundee and Aberdeen tenants have already rejected transfer. And if Edinburgh joins them and votes NO there will be huge pressure on the Executive to provide direct investment for Scotland.

In Wales only one area has ever transferred, one has voted NO to transfer, and there is massive reluctance among the rest to go down the transfer route.

In England, 93 councils have decided they will keep the ownership and management of their homes. The call for direct investment is supported by tenants, all the major trade unions, more than 250 MPs from across all parties, a new organisation of authorities retaining council housing (ARCH), and an overwhelming vote at Labour's conference.

We shouldn't give in to the blackmail, when the support for direct investment is stronger than ever before. Vote NO, and tell politicians we want the debt written off for Edinburgh – without strings attached!

## GLASGOW SELL-OFF A FAILURE

Stock transfer has been tried in Glasgow. It has been a failure.

### RENTS UP

The rent guarantee only applied to existing tenants – new tenants moving in after transfer have been charged at a higher rate. Tenants have been threatened with eviction for just one month's rent arrears. The 10 year so called "guarantee" on rents is about to be ripped up.

### PROMISES BROKEN

Glasgow Housing Association's chief executive was forced to acknowledge to the BBC that the GHA were "not going to meet every target" and that "there will be a whole lot of people with expectations who we will, to some extent, let down for a while" (BBC Scotland, 21 October 2003)

**"We warned people that despite all the guarantees that were on offer, once the banks and moneylenders got involved with their housing they would eventually have a price to pay"** (Glasgow community activist and GMB steward)\*

**"We were promised the world by GHA and look at it now. I have been waiting years for dampness to be sorted and I cannot find anyone to tell me when it will be fixed."** (Glasgow tenant)\*

### TENANTS DISEMPOWERED

Tenants Billy MacAllister and Colin Deans (both prominent 'NO' campaigners subsequently elected by tenants to the board) have been kicked off the board and their replacements have been hand picked by the GHA. Local housing boards have not been given the power they were promised.

### PRIVATISATION AND HIGH COSTS

Glasgow's housing debt was written off only to be replaced with a new, bigger debt to finance the improvements and 'regeneration' – borrowing from the private market has meant higher rates of interest and the banks in control. On top of that GHA's management costs are higher than the amount they spend on repairs and major investment combined. (GHA Annual report 2003/04)

### HOMELESSNESS IS UP

Large-scale demolitions have provoked protests across the city. Despite promising to build between 6,000 and 10,000 new homes, the GHA has not built a single new house (The Herald April 20 2004). With thousands more homes due to be demolished re-housing is turning into a major issue.

**"The really sad thing about the whole issue is that we have sold off for next to nothing something that is not ours to sell in the first place. If my parents had voted for stock transfer in the 1960s I don't think that there would have been a house like this one for me to rent in the 1980s. Can we really look at our kids now and say they'll be okay that there will be a council house for them in the future? This is going to come back and haunt us all, believe me."** (Glasgow tenant campaigner)\*

\*Quotes from Marginalised Voices: Resisting the Privatisation of Council Housing in Glasgow by G Mooney & L Poole (Local Economy, Feb 2005)



"Tenants across the UK are demanding direct investment in council housing as an alternative to privatisation. If government can write off Edinburgh's debt on transfer to a private company they can write it off to enable the council to carry out the improvement we need. **Vote No to transfer** and join with other tenants, councillors, trade unions and MPs to win this campaign – for us and for future generations."  
**George McKie, President, Edinburgh Tenants Federation**

**Strong cross-party support for council housing: see inside >>>**

# Campaign grows across the UK >>>

# Edinburgh Against Stock Transfer

"Nobody has asked for a change of landlord. We need direct investment. Public housing should remain in public ownership: councils are accountable, private Housing Associations are not!!"  
**Wendy Walton, Secretary, Edinburgh Against Stock Transfer**

# THERE IS AN ALTERNATIVE

**We should defend and improve council housing for our children and for future generations – it's their right as well as ours.**

## THE MONEY'S THERE

The money is there to do up our homes. There's £320 million of public money available to write off the council's historic debt – but only if we transfer. If there was a level playing field and the same money was made available to the council direct, there would be more than enough to bring our homes up to the Edinburgh Standard, and do the environmental improvements on our estates.

Between us tenants in Edinburgh pay £62 million a year in rent. We expect that that money will be spent on repairing, managing and improving our homes. But instead of that the council

has to spend 40p in every £1 towards the repayment of historic debt.

Why should tenants have to pay towards the historic debt of building public housing, a national asset? When you go into hospital you're not asked to pay towards the historic debt of building the hospital!

There's also £200 million of Social Housing Grant available towards building new affordable housing in the city. But there is no financial reason whatsoever why this investment should depend on transfer.

Effectively the Scottish Executive and government is blackmailing us into privatisation! This is outrageous. We demand that the government give councils a level playing field, and write off debt whether we transfer or not. Then all our rent money can be used to provide decent, secure, affordable and accountable council housing!

## Transfer is deeply unpopular

**Transfer is very unpopular in Scotland. Of the 32 local authorities in Scotland, only three have transferred their homes – Glasgow, Dumfries & Galloway and Scottish Borders.**

The 29 remaining authorities with council homes were required to submit a plan to the Executive by 29th April 2005 saying how they intend to achieve the Scottish Housing Quality Standard by 2015. Only seven of them have chosen to pursue transfer and most of these face considerable opposition. The majority of them, after consultation, have chosen to retain their housing. In Dundee and Aberdeen tenants have rejected large-scale transfer, and at least 13 Scottish councils have found ways to retain all their homes.

Councils in Scotland have a lot of flexibility when it comes to deciding how to fund investment in council housing. So while councils like East and West Lothian can afford the standard out of their current level of resources, others

have chosen a variety of ways to close the gap:

- Aberdeenshire council has chosen to fund investments through raising rent by 3% above inflation for 5 years and 2% above for the rest.
- South Lanarkshire, where tenants voted by a majority of 96% to stay with the council, is using prudential borrowing.
- Fife has chosen to raise rents by 1% above inflation and make savings in management costs.
- East Dunbartonshire is using a mixture of prudential borrowing, directing all of its right-to-buy receipts into investment, and raising rents by 1% above inflation.

A number of councils have not only chosen retention but are calling for a level playing field to help investment in Scottish council housing. Some councils, such as Fife, Aberdeenshire, Dundee and Shetland gave evidence to the House of Commons Council Housing Group to express their support for direct investment in council housing, and calling for a level playing field on



Tenants, trade unionists and councillors from across the UK will be lobbying Parliament on February 8th – join us

Picture: Jess Hurd (Report Digital)

debt. Why is Edinburgh council pushing transfer? Our elected councillors should be representing our interests, not ramming the policies of the Scottish Executive and Westminster government down our throat.

Our homes aren't going to fall apart if we reject transfer. In terms of ongoing revenue, the long-term picture is a healthy one, as the council's Stock Options Study shows. In other words there is sufficient rental income to pay for ongoing management and maintenance; and with a modest rental increase of 3%

above inflation, Edinburgh can meet the Scottish Housing Quality Standard by 2015. This means that all homes would be weatherproof and structurally sound; energy efficient (i.e. with effective insulation and central heating); provided with kitchen and bathroom fittings in a good and safe condition; and safe and secure.

So if we vote NO, we keep council housing safe in public ownership for generations to come, we can have all the most urgent work done now, and be part of the campaign to get the rest.

## Support in the Parliaments...

There's strong cross party support for our Early Day Motions calling for a level playing field for council housing. The current one, EDM 48, has 120 signatures including the following Scottish MPs:



Gavin Strang, MP for Edinburgh East



Alex Salmond, Leader, Scottish Nationalist Party



Menzies Campbell, Deputy Leader, Liberal Democrats



Jim McGovern MP



Anne Moffat MP



Frank Doran MP



"If you've got a ballot coming up, fight like hell to persuade people to vote no. The more people who reject it the better chance we have of turning over this stupid policy."  
**Frank Dobson MP (Labour)**

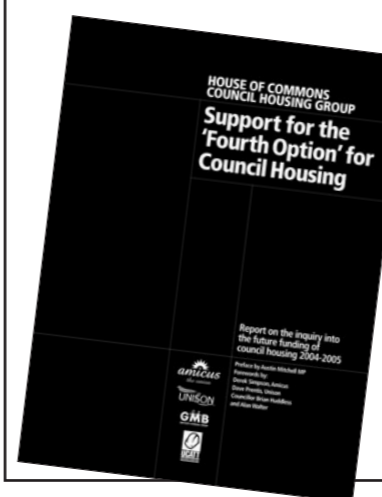


"I hope that the Government will heed the report of the ODPM Committee, the Public Accounts Committee, the Audit Commission and the Defend Council Housing group report, and rethink their policies."  
**Paul Holmes MP (Chair, Liberal Democrat Parliamentary Group)**



"Attempts to coerce tenants into stock transfer because of the need for substantial repairs to housing is completely unacceptable. We will back tenants who want to see their homes remain under council ownership all the way."  
**Colin Fox MSP, (Scottish Socialist Party)**

Order your copy of the new MPs report from Austin Mitchell MP, Chair of the House of Commons Council Housing Group:  
Tel: 0207 219 4559



"The Transfer in Glasgow has been horrendous. The GHA is investing in limited core stock, leaving 30,000 tenants and families without investment of any kind, resulting with tenants living in poor conditions. In effect GHA is operating a two tier system (social apartheid) 30,000 tenants get and 30,000 tenants don't. The GHA wants to demolish 19,000 homes and they have not consulted tenants. This would result in social cleansing – kicking out low income tenants and bringing in higher income tenants. I would urge all tenants to vote NO to Housing Stock Transfer/Privatisation!"  
**Sean Clerkin, Spokesperson, Glasgow Campaign Against Stock Transfer/ Glasgow Save our Homes Campaign**

## The case against transfer

Transfer is privatisation. Registered Social Landlords (RSLs or housing associations) are private companies in law and they borrow on the private market. The transfer of council housing to an RSL means a less democratic housing service, increased homelessness, and big pay rises for senior managers.

Sell-off is risky. Rent guarantees and glossy promises are often broken. There is a high risk either that City of Edinburgh Housing Association will get into financial trouble and have to be taken over; or that it will expand and diversify into a huge business empire. And if anything goes wrong - there is no return.

### Sell-off Is Expensive

To improve our homes after transfer to a private company has been estimated to cost £3,857 per home more than if the council did the work itself (Housing Stock Options Study, City of Edinburgh Council, May 2001).

Why is privatisation more expensive? Councils are able to borrow money at a lower rate of interest than housing associations. The 'management costs' of housing associations are also higher - in other words they pay fat-cat salaries to senior executives, and spend a fortune on new office buildings and glossy self-promotion.

In Edinburgh the stock options study estimates that the management

costs of the new company will be 20% higher than those of the council. They plan to spend £8.1 million of our rent money just on set-up costs after transfer - that's for things like new offices and to design a new corporate image (CEHA Business Plan). Someone has to pay for this.

### We Could End Up in a Huge Business Empire

The bulk of the promised 'investment' will in fact be a loan of £1.3 billion from the banks. This will create enormous pressure on the City of Edinburgh Housing Association to concentrate on making a good return for the banks. In Glasgow:

"... despite the tenants having a key role in local investment... the GHA could not back financially unrealistic decisions." (GHA chief executive Michael Lennon: Quoted in The Herald, 04/09/03)

The trend is for smaller associations to become part of a group in order to access bigger borrowing facilities. In Edinburgh for example, Port of Leith is merging with Lorne Area; while Dunedin has merged with Canmore. Castle Rock has merged with Edinvar which in turn has been swallowed up by the English 'Places for People' group. ('Places for People' is one of the biggest English RSLs with homes in over 200 local authority areas.)

Transfer in Scotland is still new. But

in England, where transfer has been around for 17 years, the problems are clear. Many transfer associations get into financial difficulties - one fifth have had to be placed under supervision by the Housing Corporation, the equivalent of Communities Scotland (The Guardian, 25 May 2005)

### Regeneration or Gentrification?

If you live in one of the 'regeneration' areas the risks are even greater. The CEHA Business Plan has identified enough money for demolition - but has not yet guaranteed any funding for rebuild! There are no guarantees of what the rents will be for the new homes, or where they will be built. They could even be outside the city boundaries.

Many RSLs, like Places for People, have set up profit-making subsidiaries in order to carry out market renting or building luxury homes for sale. Their plans include building at least 400 homes for the private market - homes that our children won't be able to afford.

If we agree to the transfer CEHA will be given all the land our estates are built on. Edinburgh already has some of the highest house prices in Scotland, and a lot of that land will be seen as prime development sites. We need more affordable housing for our children, not the gentrification of our estates.

## More homelessness

The council has a statutory responsibility to provide homes for the homeless. RSLs do not. A Shelter report said that where councils have transferred their houses "homeless applicants spend longer in temporary accommodation, have fewer long term housing options and in some cases are unable to access affordable housing at all." (Out of stock: Stock transfer, Homelessness and Access to Housing; Shelter, 2001)

"The latest figures show that 20.1% of allocations by large-scale voluntary transfer housing associations are to homeless families. This ... is less than the 34% by local authorities." (Housing Today, 29/04/05)

"An area of ongoing concern to [Glasgow] City Council is the impact that the stock transfer has had on its ability to meet its obligations under the homelessness legislation. The use of bed and breakfast has gone up markedly" (Stock Transfer in Scotland: Impact and Implications, APSE, Sep 05).

## INDEPENDENT REPORT BLOWS HOLES IN COUNCIL'S PLANS

The report by the Tenants Information Service (TIS) is essential reading for anyone who wants to know what is behind the glossy headlines of the council's stock transfer proposals. The report focuses on the Business Plan of the proposed new landlord City of Edinburgh Housing Association (CEHA). TIS are an independent Scottish wide tenants organisation, they have no axe to grind. Key points are:

- The new landlord does not have the "promised" money for the major demolitions and improvements to the Fort, Pennywell and North Sighthill (only for Gracemount multis demolitions). Instead all this work is dependent on future funding bids.
- CEHA has a £70 million hole in their finances. CEHA say they can borrow more money but according to

TIS this is "unlikely without rent increases beyond the guarantee period."  
• Income has been over-estimated. Unrealistic occupancy levels and failing to take into account increased building costs mean that there are more risks.  
• The business plan claims an estimated £90 million 'headroom'. TIS say that this "has not been demonstrated and is exceedingly insecure."  
• CEHA would have to restructure rents. This could be bad for some tenants and good for others, but it is never mentioned in any of the leaflets.  
• CEHA expects to reduce staffing costs (i.e. cut jobs) in caretaking, concierge staff and anti-social behaviour staff.

## Campaign grows across the UK

**There is massive support for council housing across all political parties, right across the UK.**

Many of the biggest trade unions are supporting the campaign (UNISON, GMB, Amicus, UCATT, TGWU, RMT, CWU) on behalf of their members in housing and all those who are council tenants or need more council housing.

Two committees of senior backbench MPs have condemned their plans: the Public Accounts Committee and the select committee which oversees the Office of the Deputy Prime Minister.

There is now a group of MPs in the commons who support council housing, including ex-Ministers such as Frank Dobson, Nick Brown, Clare Short, Michael Meacher, Kate Hoey and the late Robin Cook who joined the group just before his tragic death.

A big campaign of tenants, councillors, unions and MPs has left the government's position completely isolated and untenable.

• Deputy Prime Minister John Prescott, said in October 2004 "Public financing of housing doesn't treat local authorities on a level playing field and I want to see that

"We urge tenants, who have been bombarded by propaganda and implied threats for weeks, not to be frightened and not to be fooled. Vote NO to selling off Council houses."  
**Bill Speirs, General Secretary, Scottish TUC**



# Edinburgh Against Stock Transfer

"Beware of Greeks bearing gifts – nothing is for nothing. If you have any doubts about stock transfer vote no, you cannot be forced to say yes. Let the council invest in some long overdue upgrading." **Evelyn Preston, C.R.A.G.**

## Tenants will have less power after sell-off

**THE COUNCIL claims that having tenants on the board of City of Edinburgh Housing Association will give tenants more power. This is a con!**

At the moment individual tenants and tenants associations can lobby their local ward councillors and, if we don't like the way they run our homes, vote them out. This direct democratic relationship will be lost after transfer. Ward Councillors will have the perfect excuse to blame the company - and say there is nothing they can do.

Tenants on the CEHA board will be in a minority and their hands will be tied by company law. Putting tenants onto

'Area Boards' is another way of sucking tenant reps into the organisation so that they have to represent the company, not the tenants.

Tenants who sit on the boards of Housing Associations find they are gagged. They are constantly told the information they receive is 'in confidence' and they can't publicise it. Many who have spoken out for the interests of tenants have been kicked off the board, as happened in Glasgow.

The Audit Commission has criticised councils for "mis-selling" the role of board members: "tenants are often led to believe they will have an explicit role in representing the interest of their fellow

tenants on the board" when really "the directors responsibility takes supremacy". (Improving Services Through Resident Involvement, June 2004).

Look at what happened in Glasgow: "those who bought the dream of community ownership have become increasingly disillusioned by the lack of progress; justifiably so. Those running GHA make frequent use of terms such as "tenant participation" and "community empowerment" but many tenants claim that the change of landlord from the city council to GHA has given them no more say in local housing management..." (The Herald, October 28th 2005).

"Any proposition put in front of the tenants was put in front of the money-men first... tenant participation is little more than window dressing." (Glasgow UNISON activist, BBC Scotland, 2003)

And a recent study by a researcher from Oxford Brookes University concluded that tenants on boards are "marginalised" and "powerless", and that boards are manipulated and controlled by senior managers. (Changing Boards, Emerging Tensions, Spring 2004).

This isn't tenants power. A strong, independent tenants movement, with tenants associations in every estate and street, is a much more effective defence of tenants' interests.

## Promises, Promises

IF YOU READ the offer document carefully you'll see that there are lots of holes in it. One moment they promise everyone will have a new kitchen and bathroom, and the next they say there is money for 14,000 new kitchens and bathrooms – when there are 24,000 homes!

Promises are glossy but deliberately vague. But unless the offer document makes a promise that you personally, at a particular address, will get a new kitchen and bathroom, there is nothing which is legally enforceable. And in any case the offer document is a contract between the CEHA and the council, not between CEHA and tenants.

Since the transfer in Scottish Borders, the new RSL has been in a row with the council over the valuation of the homes – which will affect the promises to tenants. (Inside Housing 09/09/05)

## Separate company makes no sense

Hiving off housing into a separate company will make co-operation across council departments more difficult.

A new report into stock transfer in Scotland highlights the potential problems – if councils lose their housing department it is likely to mean redundancies due to loss of scale; there will be less co-operation in a wider regeneration agenda, and most importantly, councils will find it harder to meet their obligations to house the homeless. (Stock Transfer in Scotland: Impact and Implications, APSE, Oct 2005)

## Union leaders back fight for council housing

Against all the evidence that direct investment would be cheaper and deliver faster improvements, tenants, councils and housing workers are marched down the route of stock transfer, ALMOs or PFI against their wishes.

That so many councils have held out against transfer or privatisation is testament to the strength of feeling amongst tenants and councillors.

UNISON has campaigned hard for direct investment and will continue to support tenants and local authorities.

**Dave Prentis, general secretary UNISON**



Ministers are facing growing opposition from council tenants, local authorities, councillors, trade unions and MPs.

The Labour party conference voted overwhelmingly to oppose the privatisation of council housing. This sends a clear message that the government needs to rethink its position. Amicus will continue to campaign hard. We believe tenants deserve real choice – one that includes quality, affordable homes that are managed and owned by their locally accountable council.

**Derek Simpson, general secretary Amicus**



Now that tenants in his own constituency of Sedgefield have joined the growing band of no-voters, perhaps the Prime Minister will finally listen. Especially as the turn-out in the ballot topped voter turn-out in Sedgefield in this year's general election.

The case for the fourth option is unanswerable. We look forward to continuing to work with DCH nationally and locally to win this campaign once and for all.

**Paul Kenny, Acting General Secretary, GMB**



We are determined to act as a champion of both Council tenants and our members... John [Prescott], I know you know the current policy is unfair. I know you want a review to put that wrong right. That review could then lead to a genuine level playing field, including councils being able to make greater use of prudential powers to borrow."

**Jack Dromey, Deputy General Secretary TGWU**



UCATT backed this campaign from the start. Now that the whole trade union movement is involved we need to push forward support for the 'Fourth Option' for council housing and expose the obscene waste of public money utilised in council propaganda. I urge Parliamentarians, Councillors, Tenants and Workers to come together and get the change in government policy that council tenants deserve".

**Alan Ritchie, General Secretary UCATT**



I grew up in a council house. Many CWU postal and telecomms members are council tenants and have children who will need council housing when they grow up. The CWU is totally opposed to the privatisation of council housing and fully supports the campaign to win the 'fourth option'. It's time the government saw sense and gave tenants the choice they want."

**Billy Hayes, General Secretary CWU**



## Demand direct investment in council housing – with no strings attached

### We can stop them – use your vote

The council would like tenants to believe that the outcome of this ballot is inevitable – but it isn't.

An effective campaign can win the argument. NO Votes in Birmingham, Wrexham and many other places have shocked Ministers and policy makers and made MPs sit up and take notice.

If tenants in Edinburgh vote NO too then it adds to the real pressure on politicians to give us direct investment – with no strings attached.

### Edinburgh tenants don't want transfer

Edinburgh council has previously tried to sell off our homes in bite-sized pieces but has had little success. Only 200 homes have ever been transferred that way. Partial transfer on the Dumbiedykes estate failed four years ago when the bidder withdrew. But the tenants didn't want it anyway. One of them told *Inside Housing* magazine in February: "Better the devil you know than the devil you don't know was the view of most of the tenants here. We didn't want stock transfer in the first place. If they ask us, we will reject stock transfer again." **Mary Whitfield, Dumbiedykes estate**

### This campaign needs your help!

It's wrong that the council are spending our rent money on their propaganda and trying to make out there is no alternative to stock transfer. **Edinburgh Against Stock Transfer** can't use public funds and relies on donations. We now have a big print bill to pay for this newspaper. Please help us to help

you reach an informed decision about the future of your home:

- Distribute this broadsheet to every council home in your area;
- Put up posters on your estate and in your window;
- Organise a meeting and invite a speaker from the campaign to debate

with the council so all tenants can hear both sides of the argument;

- Raise money to pay for the campaign; any donation will be appreciated, no matter how small.
- Most important... talk to your family, friends and neighbours and get them to VOTE NO.

### PLEASE CONTACT US

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**Website:** [www.stocktransfer.info](http://www.stocktransfer.info) You can also find more information from:

[www.defendcouncilhousing.org.uk](http://www.defendcouncilhousing.org.uk) [www.tis.org.uk](http://www.tis.org.uk) [www.support4councilhousing.org.uk](http://www.support4councilhousing.org.uk)

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