

Support our amendments

Secure the future for council housing

The House of Commons Council Housing group has tabled amendments to the Housing and Regeneration Bill to allow councils to improve all existing homes and estates, build a new generation of first class council housing and ensure council housing has a sustainable future.

We are also opposing means testing council housing and proposing a new Code of Practice for councils consulting tenants to guarantee a balanced debate and prevent the democratic outrages and dirty tricks.

On January 22 we invited tenants, councillors, council officers and trade unionists to come to Parliament to give evidence to support these amendments. 200 took part from 31 local authorities.

They made the case that 2.5 million council tenants in authorities retaining their homes and those with ALMOs need changes to the current housing finance regime to fund improvements and ensure that councils can maintain their homes in future years. Without these changes there will be more attempts to bully and bamboozle tenants into ac-



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

cepting privatisation. Council housing waiting lists are now over 1.6 million households. The obvious solution is to let local authorities build a new generation of first class council housing.

Last year we heard plenty of warm words for council housing from the Prime Minister and would be deputy leaders of the Labour Party. Gordon Brown promised “councils will be allowed to build homes again”. But the official Impact Assessment accompanying the Bill suggests councils will only be able to build some 2,500 council homes a year, far short of expectations. There are no signs in the Bill of a ‘level playing field’ or an end to government siphoning money out of council housing. The only reference to council housing rev-

enue accounts is to allow some councils to opt out with no long term certainty for those who leave or those who stay. The Bill must be changed.

The private sector has never provided the decent, affordable, secure homes that working people need. There’s no evidence it will now. With the private housing market increasingly unstable the case for investment in first class council housing makes more sense than ever.

Instead of encouraging local authorities to sell public land for private housing Ministers should use this once in a lifetime opportunity to put a new council house building programme centre stage as the only way to provide three million new homes Britain needs.

Speak to your MPs (sooner rather than later as our amendments will be debated in early March). Make sure that tenants organisations, community groups, trade unions and local councillors make representations too. Ask your MP to support our amendments and to sign early day motion 368 ‘Investment in council housing’. ■



“It’s always important to make people recognise that they can make a difference... there’s a big unfinished task, your job is

to speak from the heart and tell the people who make law here that the time has come to listen to councils, council housing and above all council tenants.”
Jack Dromey, deputy general secretary UNITE



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

Lyn Ralph, chair Doncaster Federation of Tenants



“2.5 million council tenants have rejected privatisation. We want our homes and estates modernised, a sustainable future for council

housing and a programme of council house building that provides decent, affordable, secure and accountable homes as an alternative to the instability and insecurity of the private housing market.”
Alan Walter, chair Defend Council Housing

Tenants, trade unionists and councillors give evidence to MPs

"We've had three consultative votes and none less than 95% on each occasion has voted to stay with council provision... at Bolsover we need a level playing field for extra investment... All we want to do is play along a level field with other housing providers."
Cllr Keith Bowman, Housing Cabinet member Bolsover

"Our negative subsidy has gone up and we are going to be paying the average of £1500 per unit. How can we plan a proper business case to do the repairs and modernisation that we need?"
Cllr Catherine Smart, Housing Executive member Cambridge

"Tenants cannot understand this obsession the central government has with assuming that everybody wants to be a home owner. What we do want is to retain our council home and for the councils to be able to provide council homes for future generations."
Alan Rickman, chair Winchester Tenants and Council Together

"We've got 6000 apartments in the city of Leeds, of which 35% is still currently empty, because people can't afford to buy them or they have been bought as buy to let and you've got nearly 30,000 people on the waiting list. We support this national campaign for direct investment."
Michael Hall, chair Leeds Tenants Federation



Why we are tabling

200 people from more than 30 authorities took part in the House of Commons Council Housing group's inquiry session at Parliament on January 22. MPs heard evidence from tenants reps and trade unionists, councillors and council officers from authorities as diverse as Crawley and Southampton in the south, Bolsover and Chesterfield in the midlands, Leeds and Sedgefield in the north, Winchester and Stroud in the west, Cambridge in the east and several London boroughs. Others have sent in written evidence.

See http://www.defendcouncilhousing.org.uk/dch/dch_HousingBill2007.cfm for background information

MPs have tabled four amendments to the Bill on eligibility for council housing; housing finance and a code of practice for ballots. See <http://www.publications.parliament.uk/pa/cm200708/cmbills/054/amend/psc0540218a.1061-1063.html>

Here's why we are tabling these amendments.

Eligibility for Council Housing

There is a deliberate strategy to stigmatise council housing as 'housing of last resort' and suggest that council housing should be no more than a temporary stop gap and government's top priority must be to give tenants a 'helping hand' into some form of home ownership.

This ignores the fact that:

- many choose to rent
- many will never be able to afford to get on the 'property ladder' even if they wanted to
- a first class public rented sector providing secure housing at a price people can afford and run by an accountable landlord makes sense
- shared ownership schemes rely on a high level of public subsidy and yet remain uneconomic requiring tenants to pay a mortgage, rent and be responsible for repairs and improvements

Council housing was originally conceived as tenure of choice providing high quality housing for a wide social mix. Professor John Hills identifies that in 1979 "20% of the richest tenth lived in social housing" (Ends and Means, LSE, Feb 2007). Only 20% were unem-

ployed in 1980 according to the CLG.

Since then many working tenants were encouraged to buy their council home whilst many others have now retired. New tenants are almost exclusively drawn from those least likely to be working (single parents with young children, the seriously ill and people with disabilities).

The shortage of council housing has significantly distorted local authority allocation policies. Research by *Roof* magazine shows that council waiting lists reflect a wide social mix. Building a new generation of first class council housing is the obvious way to return our estates to the mixed communities they used to be.

We don't want public (council) housing to be 'bog standard' housing for those who can't do any better any more than we support local comprehensive schools, the NHS or other public services becoming second rate and second class.

The Bill's original clause "eligibility designed to ensure that it is occupied by people who cannot afford to buy or rent at market rate" (old 68c) caused out-



Hands up for 'Fourth Option' at Parliament on January 22

rage. Housing Minister Iain Wright amended formula "made available to people whose needs are not adequately served by the commercial housing market" (new 70c) remains ambiguous. Our amendment removes any suggestion of means testing and explicitly includes "promoting mixed and sustainable communities" as a criterion for allocations.

It is essential that our estates return to being the mixed communities that a wide social mix are proud to live in. This

I think it's a credit to the council tenants and the campaign we ran in Lambeth that we got 41% to vote no and 17% to say they weren't sure when we had spent £3000 on our campaign and the Council spent £1million on theirs...

Steve Hack, Lambeth tenant

"We value public housing, we want council housing to be high quality, well repaired, well managed and affordable, not just now but for the foreseeable future... we should be building council homes again, not in their hundreds, but in their tens of thousands and hundreds of thousands."

Pete Challis, Unison national housing officer

"The last time Sedgefield balloted for LSVT the tenants rejected it. [two years later] the council announced it was privatising its workforce, and also announced it was going back to LSVT for its tenants... it's my belief that the tenants will once again reject privatisation."

Pat McCourt, Sedgefield council worker and Unite member

"APSE would like to see the creation of an Investment Allowance built into the national HRA formula, which enables local authorities to support new build, acquire new housing and refurbish properties."

Paul O'Brien, chief executive APSE

amendments



means encouraging – not excluding – butchers and bakers as well as teachers and nurses to take up a council tenancy.

Enable local authorities to improve all existing council homes and estates, start a major council house building programme and ensure that they can maintain both existing and new council homes as first class housing in years to come

We have considered various mechanisms to achieve our objectives and have opted for the simple strategy of requir-

ing the Secretary of State to use the current discretionary powers under the housing revenue subsidy regime to provide the resources local authorities need. We intend to pursue wider issues (including transparency, of negative subsidy and management of historic debt) by making representations to the Secretary of State's review of the housing subsidy system.

Our first amendment requires the Secretary of State when "determining a formula" for setting allowances for each

authority to take into account a number of factors to "to properly manage, maintain and repair houses... to at least meet the minimum standard for Decent Homes", "research into these matters" and "required to enable respective authorities to acquire, rehabilitate, or build new housing". Research the government itself commissioned from the Building Research Establishment shows they are under-funding Management and Maintenance Allowances. Additional al-

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lowances to use 'surpluses' could include a new "Investment Allowance" to fund improvement.

The second amendment prevents the Secretary of State from disallowing local authorities from applying for financial assistance (e.g. Social Housing grant) available to Housing Associations, ALMOs and Special Purpose Vehicles. This and/or a "New Build" allowance under the subsidy system would enable local authorities to build more council homes.

Substantial funding to meet these requirements could be met by ring fencing the national housing revenue account and ending the 'robbery' from tenants' rents and housing capital receipts.

A level playing field on gap funding currently available only to subsidise privatisation to RSLs would provide additional resources to assist the small number of authorities that are unable to meet the government's Decent Homes

standard. This would respect tenants choice where tenants have made it clear they want to remain with the council.

Fair and balanced debate and democratic procedures for consulting tenants

There has been a massive democratic deficit in many instances where councils have proposed to stock transfer their homes, set up ALMOs or PFI schemes.

There is currently no legal obligation to provide tenants with both sides of the argument. Frequently the ballot is sprung on tenants with little or no notice. The authority can use market research polling to choose when to send out ballot papers to identify the optimum time to get the desired result and extend the balloting period – without telling those opposed. They spend unlimited amounts of money on direct mailings, videos and press advertising whilst often preventing those putting an alternative by taking down material op-

posing the council's proposals and refusing to let halls for public meetings.

Clause 280 in the Bill allows a "tenant group" to formally request that their authority ballots them on stock transfer. We do not oppose ballots in principle but we are concerned that this will in practice mainly 'empower' predatory landlords rather than tenants.

Our amendment proposes to require the Secretary of State to produce a Code of Practice to regulate 'consultation'. It would strengthen democracy and act as a safeguard against predatory landlords who, motivated by returns from private housing for sale on existing public land, set out to cultivate a group of tenants to support their proposal.

We also propose that authorities should ballot tenants on "a change of landlord" and "a major change in the management of their homes". This would include setting up an ALMO or PFI scheme, demolition schemes as well as a stock transfer. ■



Get your MP to sign early day motion 'Investment in council housing' EDM 368 <http://edmi.parliament.uk/EDMI/EDMDetails.aspx?EDMID=34488&SESSION=891>



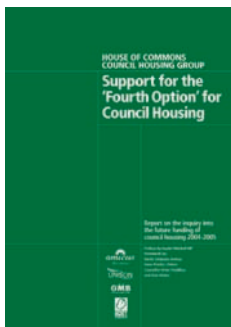
'FOURTH OPTION' for COUNCIL HOUSING



COMMUNICATION WORKERS UNION



Council tenants, trade unions, councillors and MPs have joined forces to demand the 'Fourth Option' of direct investment in council housing. We want an end to government siphoning money out of council housing and a new level playing field on writing off or taking over historic housing debt, gap funding to meet Decent Homes and equal access to grants for new build.



Find out more about the campaign, get your organisation to affiliate to Defend Council Housing and order publications for tenants and union reps in your area contact DCH c/o PO Box 33519, London E2 9WW tel 0207 987 9989 info@defendcouncilhousing.org.uk

Amendments tabled by Austin Mitchell MP

Subsidy arrangements: formula and exclusions

To move the following Clause:—

“(1) In section 80 of the Local Government and Housing Act 1989 (c. 42) (calculation of Housing Revenue Account subsidy) after subsection (3) insert—

“(3A) In determining a formula for the purposes of this section for any year, the Secretary of State shall take into account—

- (a) the resources required to properly manage, maintain and repair houses and other properties within their respective Housing Revenue Accounts to at least meet the minimum standard for Decent Homes (as defined in guidance published by the Secretary of State),
- (b) research into these matters, and
- (c) the resources required to enable respective authorities to acquire, rehabilitate, or build new housing to be held within their housing revenue accounts that contributes to meeting the need for affordable housing within their respective areas.”

Access to Financial Resources

Clause 22, page 11, line 38, at end insert—

“(1A) Local authorities shall be eligible for financial assistance under subsection (1).”

Fair and balanced debate and democratic

procedures for consulting tenants

Clause 280, page 113, line 14, leave out from “ballot” to “or” in line 15 and insert—

“in accordance with the code of practice set out in section (Consultation principles);”

Consultation principles

To move the following Clause:—

“(1) The Secretary of State shall, by regulations made by statutory instrument, set out a code of practice to govern local authority consultations with tenants concerning

- a) a change of landlord, or
- b) a major change in the management of their homes.
- (2) Regulations made under subsection (1) shall require the local authority to—
 - (a) place in the public domain all relevant information as is necessary for them to influence or control the management of their accommodation and environment including the resources available to the authority to spend on its stock, stock conditions surveys, the business plan of the proposed landlord, the transfer valuation, details of any land and property to be disposed of, and any other information on which the Offer Document and transfer proposal is based,
 - (b) ensure at the start of the consultation that all tenants are aware of their rights to access information as set out under paragraph (a),
 - (c) ensure that material it produces is objective, balanced, informative, and accurate,
 - (d) provide reasonable resources for any tenant group who serves written notice on the authority opposing a proposal so that they can put an alternative view to tenants,
 - (e) not deny any reasonable request from any group under paragraph (d) for lists of addresses and access to notice boards, meeting facilities and other relevant resources to enable all parties to communicate with those entitled to vote,
 - (f) give two months notice of
 - (i) the start and end date of the ballot, and
 - (ii) how those eligible will be able to vote, and
 - (g) ensure that information regarding who has voted at any point in time is treated in confidence.
 - (h) not exceed spending limits for these consultations as may be determined by the Secretary of State and certified as proper by the District Auditor.”

Opposing means testing

Clause 70, page 32, line 36, leave out

paragraph (b) and insert:—

“(b) the rent is below the market rate to such an extent that it is affordable for those on low incomes, and”

Clause 70, page 32, line 37, leave out

paragraph (c) and insert:—

“(c) the accommodation is let in accordance with rules for eligibility designed to give preference to people in need of housing whilst also promoting mixed and sustainable communities.”

Clause 71, page 33, line 9, leave out subsection (3) and insert:—

“(2A) Condition 2 is that the accommodation is affordable for those on low incomes and is made available in accordance with rules for eligibility designed to give preference to people who can not afford to buy or rent at market rates whilst also promoting mixed and sustainable communities.”