

# Taunton Deane Tenants Against Transfer

# VOTE NO



# to win the 'Fourth Option'

**TAUNTON DEANE COUNCIL wants to sell off our homes. They say we can't have all the improvements we want unless we transfer to a different landlord. But they don't spell out the risks or what we lose (see inside).**

They don't tell tenants that stock transfer is privatisation, which means we lose our secure tenancies and other rights. They claim that 'Deane Homes Ltd' will be a local organisation only interested in the needs of local tenants. But small housing associations are disappearing fast – getting taken over by bigger companies in the world of private finance.

The council also haven't told us about the alternatives. They keep changing the figures – but it's clear that all the most urgent work can be done even if we vote NO.

On top of that the government robs £6 million from our rent accounts every year – money that Deane Homes will be allowed to keep. There's no reason why the gov-



ernment couldn't let the council keep all our rents too. We call that the 'fourth option' – direct investment in council housing.

If we vote NO Taunton Deane council have promised they'll join us in demanding the fourth option. That's exactly what we need. Only by standing up to the blackmail together will we persuade government to change their mind.

Council housing may not be perfect, but it's well worth defending – for us and for future generations.

**VOTE NO TO SELL-OFF  
IT'S NOT WORTH THE RISK!**

## There is an alternative

### Direct investment in council housing

Our united campaign of tenants, trade unions, councils and MPs across the country is making a difference. In the last year more tenants than ever have been voting NO, from Mid-Devon to Edinburgh.

After the third consecutive vote at the Labour Party conference,

"Labour's ruling committee has promised that the party will take a fresh look at the long-running controversy over the 'fourth option' for funding improvements to council housing, and will deliver its conclusions next year... In a statement, the NEC said: "The group is exploring ways of creating a level playing field in the funding of social housing, between those with Almos and housing associations

and those without; we await its conclusions early next year." (From the magazine Public Finance, October 2006) (See inside for details).

Don't let them bully you into voting for privatisation – if enough tenants stand up to the blackmail and vote to keep our council housing, we can win.



"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**

## 8 REASONS TO REJECT TRANSFER



### Evictions Up

Evictions by registered social landlords (RSLs) are much easier with their 'assured' tenancies. If we transfer they take away our 'secure' tenancies.



### Rents Up

The government's rent formula is no protection – it won't apply to new tenants or service charges, and RSLs can get round it by changing the method used to calculate the rents.



### No accountability

Council tenants get to vote for their landlord in local elections every four years. RSL boards are accountable to no one and dominated by the banks and lenders.



### Privatisation

Councils can borrow much cheaper than RSLs. Transfer means more of our rents going on profits for the banks rather than repairs to our homes.



### Massive setup costs

Transfer in Taunton Deane will cost millions of pounds. This money could be used instead to carry out the repairs and improvements tenants need!



### Worse Services

Ordinary housing workers end up worse off after transfer while senior managers get fat cat salaries. Staff demoralisation affects the service tenants receive.



### Mergers and takeovers

Most transfer RSLs don't stay small and local - many get into trouble and have to be taken over to survive; others expand and 'diversify'. Either way we are likely to end up as part of a huge business empire.



### No return to the council

Transfer is a one way ticket – there's no going back to the council if promises are broken. Deane Homes make lots of promises but what happens if they go bust?

### Demand a Fair Debate!

Don't you think there is a conflict of interest when the senior managers who are pushing for transfer are likely to benefit personally from big pay rises if the new housing company is set up? **Aldbourne Associates**, the consultants that the council have hired to give tenants 'independent' advice over the proposed sale of our homes, have had to issue a public apology for misleading tenants in Salisbury where the company are also advising tenants facing stock transfer. (see inside).

This publication is certified **FREE FROM ADDED PROFIT** No highly paid consultants or senior managers have been involved in producing this broadsheet

# Vote No to Privatisation

# TauntonDeaneTenantsAgainstTransfer

“The small local housing association we're told will do such a good job of running your estate, very rapidly becomes part of a much larger regional and national housing association where you have no say whatsoever. So if you stay with the council you can choose at elections, at regular intervals – it's called democracy – to change your landlord. If you privatise that's it, it's a one way street.” **Paul Holmes, MP**

## The facts they wish we didn't know...

There are two main risks after transfer. One is that the new housing association will get into financial trouble; and the other is that it will expand and merge with other associations so that it loses any meaningful connection with the local area.

### SELL OFF – IT'S NOT WORTH THE RISK

Housing associations borrow on the private market and it is our rents that they use as a guarantee. This is not a small risk – one fifth of transfer associations get into financial difficulty. Locally, 2 out of 3 transfer associations in Somerset have had to be placed under supervision by the Housing Corporation (South Somerset Homes and Mendip Housing Ltd). Mendip Housing had to be taken over to survive and is now part of the Aster Group which owns homes all over the south west. Not small and local any more then.

The claims in the offer document are based on a 30 year business plan – but it is impossible to predict how the economy will change over such a large number of years. In the late 80's interest rates went above 15%. However, the shadow board's business plan uses a much lower predicted maximum figure (circa 7.5% max). If interests rates rise unexpectedly in the future the new housing association will need to either reduce services or increase rents.

What will happen if 'Deane Homes Ltd' tries to expand too far, too fast? What's the betting that tenants pay the price for their grandiose schemes?

**By 2001 60% of all English transfer landlords were part of group structures**

### SHELTERED HOMES THREATENED BY PRIVATISATION

London & Quadrant, one of the biggest Registered Social Landlords, are proposing to close Sheltered Housing in Bexley which was sold to them in a stock transfer of council homes in 1998.

“London and Quadrant Housing Association (L&Q) has announced plans to close six of the 16 sheltered housing schemes it owns in Bexley.” (<http://www.newshopper.co.uk/display.var.927583.0.0.php>)

### WE COULD END UP IN A HUGE BUSINESS EMPIRE

Most transfer associations do not stay local. The trend is for smaller housing associations to become part of a group structure in order to access bigger borrowing facilities. 60% of all English transfer landlords in existence in 2001 were part of group structures.

For example, tenants in Penwith thought they were transferring to their own 'local' organisation. Now Penwith Housing Association has been absorbed into the Devon and Cornwall Housing Group, which owns homes in 17 local authorities all over Devon and Cornwall.

### TENANTS PAY THE PRICE OF FAILURE

If Deane Homes Ltd merges or gets taken over, you will not get any say in the matter – there is no right to a ballot when transferring from one housing association landlord to another. Not only that, but take-over RSLs are under no legal obligation to keep promises made at the time of transfer:

“the mortgagee exclusion clause... means that if the RSL gets into financial difficulties and as a result the funder takes control and transfers to another RSL, the “new” RSL is not bound by any of the promises made to the tenants.” (Housing Today, 21 January 2005)

#### CAN YOU TELL THE DIFFERENCE?

The average rent for a housing association property in Taunton Deane (2004/2005) was £68.88 a week. The comparable figure for the council was £51.76. A difference of 33%! (Figures from the Housing Corporation)

“Once we've crossed the boundary between public housing provision & privatisation there is nothing to prevent Deane Homes from being absorbed into a larger Housing Association, who will have no obligation to comply with the 'assurances' included in the Offer Document. As a long-term Council tenant told me: 'I'm voting 'No' to stock transfer – better the devil you know!' True – especially as you can vote them out!” **Cllr. Steve Palmer (Ind) Wellington Town Councillor & Taunton Deane council resident**

“I am vehemently opposed to the privatisation of the Council's housing stock. If transfer happens, there will be no return from this ludicrous and absurd policy which will mean massive set-up costs and reduced accountability which will seriously disadvantage tenants. Investment in Council housing can certainly be achieved without the stock being sold. Tenants in 98 local authorities have sensibly agreed to keep their housing under Council control; there is no reason why this should not be the case in Taunton Deane.” **Chris Fullwood, Assistant Branch Secretary, Taunton Deane BC UNISON**

“The security of my present council house is worth far more to me than the dangled carrot of a new kitchen or bathroom. A No Vote will not be a disaster for tenants – it will just force the council to look more seriously at the other options available, and be wise stewards of their current resources. Throughout the consultation process the council has implied that tenants have no collective political power when in fact we DO!” **Sarah Tyrrie, Chair, Taunton Deane Tenants Against Transfer**

“It is vital in an age of so-called cynicism that the housing service is directly accountable to the local community and not a sham organisation who can conveniently hide behind commercial confidentiality. The campaign to defend council housing is one of the most important to the community, not least because of the lack of truly affordable homes, with the average house price now running at over 10 times the average salary.” **Nigel Behan, Branch Sec, Somerset County UNISON & Sec, Taunton Deane Trades Council**

“The Council have spent £867,000 to consultants to get this message across, with thousands of costly glossy brochures, road shows, DVDs, door knocking etc. But there is a way to get the Council Houses and have the revenue to meet all repairs. That is to campaign for a fairer Housing Subsidy allocation. The Liberal Democrats on Taunton Deane are opposed to the selling of an excellent Housing Service, and feel that the tenants are being treated unfairly.” **Cllr. Terry Murphy (Lib Dem) Halcon Ward**

# 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

Tenants pay more than enough in our rents for all the repairs and improvements we need; the problem is the government robs our rent accounts, and then has the cheek to offer us some of the money back – provided we accept privatisation!

If Deane Homes is allowed to keep an extra £6 million a year of our rents and all of our right-to-buy receipts then why can't the government let Taunton Deane council do the same? It wouldn't make a penny of difference to public borrowing rules, and we could have the investment we need while still keeping our secure tenancies and democratic rights. This is what we call the 'fourth option'.

#### THIS CAMPAIGN CAN WIN

Tenants in Taunton Deane are not alone in demanding direct investment without strings. All over Britain tenants are opposing stock transfer, PFI and ALMOs (the government's 'three options').

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

Two committees of senior backbench MPs have condemned their plans. The Public Accounts Committee

has condemned the huge cost of transfer and questioned its benefits; while the select committee of MPs which oversees housing demanded a level playing field for councils to be able to invest in their own stock.

More than 250 MPs have signed one of several Early Day Motions in support of direct investment in council housing. A significant number of MPs joined the campaign for the first time in the last year.

A big campaign by tenants backed by trade unions and sympathetic councillors, MPs and others is forcing the government to listen, and we have already won concessions.

#### HELP PUT PRESSURE ON THE GOVERNMENT

Ministers are feeling the pressure. Ruth Kelly, Minister for Department for Communities and Local Government (DCLG), produced a Discussion Paper in June. She announced a pilot of six councils to look at new housing finance arrangements that would allow councils to do more improvements themselves.

In September 2006 the Labour Party conference voted for the third consecutive time for the 'Fourth Option'. This was a clear sign that the pressure for a change in government policy is biting. Labour's National Executive Committee issued a statement:

“We recognise the decisions conference has taken on the issue of social housing in 2004 and 2005... We believe that bringing all social housing up to decent standards is central to Labour's Sustainable Communities agenda... In particular the group is exploring ways of creating a level play-

**The government desperately hopes that ambitious councillors and senior council officials will bully tenants into submission. But around the country tenants with the support of trade unions, MPs and councillors too are fighting back. We want the improvements but we don't want a private company running our homes. Resist the blackmail. Join the national campaign to win direct investment – with no strings attached.**



Taunton Deane tenants campaigning against the sell-off

ing field in the funding for social housing, between those with ALMOs or Housing Associations, and those without... we await its conclusions early next year”

Minister Ruth Kelly was obliged to assure delegates “We are listening” and added: “We have got to build more homes - more council homes as well as social housing”. She promised the sub-group would address “the full range of options for the future”.

It all gives the lie to senior council officers and consultants who are trying to tell us that there is no alternative and government policy is set in stone. That clearly is not the case.

But we need to keep up the pressure. Already since the vote at Labour party conference tenants have won NO votes in 4 out of 4 ballots in Tower Hamlets, east London, and in Stirling, Scotland, tenants voted by 2:1 against transfer.

If tenants in Taunton Deane resist the blackmail, vote NO, and add our voices to the call for change, then it will add to the pressure on government.

Council housing may not be perfect but it is worth defending, for us and for future generations. Together tenants, trade unions, councillors and MPs are a powerful alliance – we can win!

**RESIST THE BLACKMAIL! VOTE NO TO THE SELL-OFF!**

## Don't be fooled by their spin

### ADVISERS FORCED TO APOLOGISE FOR MISLEADING TENANTS

The same consultants that Taunton Deane Borough Council have hired to give their tenants 'independent' advice over the proposed sale of their homes to Deane Homes Ltd have had to issue a public apology for misleading tenants in Salisbury where the company are also advising tenants facing stock transfer.

“THE company charged with independently assessing Salisbury district council's bid to transfer its

housing stock has been forced to issue a public apology for misleading tenants and leaseholders. Aldbourne Associates has placed an advert (on page 8 of this week's Journal) saying sorry for failing to inform leaseholders they face being slapped with VAT bills on service charges if the controversial transfer goes through. The information was omitted from the company's May newsletter, in which it stated there would be no increase

to service charges. Aldbourne insists this was “a genuine error” but questions are being raised about the council's role as it sees all of the company's publications before release. Aldbourne's managing director Sian Humphreys told the Journal this week: “They do indeed see all company publications before release and they signed this particular one off.” (Salisbury Journal, 15th September 2006)

## TAUNTON DEANE COUNCIL HAS SUBSTANTIAL RESOURCES

### EVEN IF WE VOTE NO THE COUNCIL CAN STILL MEET 75% OF THE DECENT HOMES STANDARD

Taunton Deane council homes need improvements – that's what we pay our rent for. But our homes aren't going to fall apart if we vote NO.

Part of the council's bullying strategy is to promote a doomsday prediction that there's no hope unless we agree to selling them off.

Until recently their figures showed they had enough for Decent Homes with a “very small shortfall” (only £900,000 over 5 years) which could easily be met through efficiency savings. (Report to Executive, July 2004) The same document shows that

the council is not even putting its available right-to-buy receipts back into council housing - by re-allocating this they would not even have to make savings. Like many councils pushing transfer, they've changed all their figures since.

Even if you believe what they're now telling us, they can still meet three quarters of the Decent Homes Standard using their own resources (without any cuts in services!) If we vote NO we'll still get all the most important and urgent work we need done, and be part of the national campaign fighting to get the rest.

## Stop the robbery

### TENANTS IN TAUNTON DEANE PAY OVER £16 MILLION IN RENTS EVERY YEAR, MORE THAN ENOUGH TO PAY FOR ALL REPAIRS AND IMPROVEMENTS WE NEED

Rather than sell off our homes Taunton Deane Council should be going to government to demand fair pay.

Tenants in Taunton Deane pay over £16 million in our rents every year, more than enough to pay for all the repairs and improvements we need. The problem is the government robs our rent accounts, and then has the cheek to put strings on giving it back.

Of the £16.4m we pay in rent, the council is allowed to keep £7.2m to spend on management and maintenance and £3.4m on major repairs. That leaves £5.8m which isn't spent on our homes, every year (figures from 2005/06). We're told this all goes to help other areas - but

that's not true. Tenants across the country pay approximately £6 billion a year in rent of which only £4.5 billion is spent on our homes. So the government robs £1.5 billion a year out of our rent accounts – as well as another half a billion of 'right-to-buy' receipts. Money which belongs to council housing!

The shortfall to enable us to bring our houses up to the Decent standard is approx £1.7 million per year. If Taunton Deane council was allowed to keep all our rent money to spend on our homes, as Deane Homes will be, there'd be more than enough to meet the Decent Homes Standard. All we're asking for is a level playing field.

**Read the small print in the offer document**

Read the offer document, but read it with a sceptical attitude. Try and see what is NOT being said, and ask yourself why. Read between the lines!

Remember – nothing in the offer document guarantees that you personally will get any of the promised improvements, they are just figures.

The offer document is a contract not between tenants and our new landlord, but between the council and the new landlord. So we will not have any legal rights to

enforce promises if they are broken. For example, page 25 promises that service charges won't go up by more than inflation + 0.5% But if you read the

small print on page 86 in the proposed tenancy agreement (the contract between tenants and the landlord), this promise is not there!

# Taunton Deane Tenants Against Transfer

“I’m a council tenant, and proud to be. We don’t want a succession of private landlords, as one company is bought out or taken over by another, and a system where our tenancies become weakened over time. What we do want is for our councils to be allowed to invest as RSLs are allowed to do. The Government says it wants us to have a choice – let’s vote No, and demand one!” **Pat Rowe, Secretary, Taunton Deane Tenants Against Transfer**



“We’ve been running a stall in Priorswood on Saturday mornings. We made a sign so people could see what we were about and we had our leaflets, posters and a petition against the privatisation. Even people who aren’t tenants were signing the petition. More than 9 out of 10 tenants are against the transfer. They are angry that the council is promoting this sell-off.” **Tony Drohan, Blagdon Hill Tenant**

## 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, Camden and many other places have shocked Ministers and policy makers and made MPs sit up and take notice. If tenants in Taunton Deane vote NO too then it adds to the real pressure on government to give us Direct Investment – with no strings attached.

## Tenants will have less power after sell-off

**THE COUNCIL CLAIMS THAT having tenants on the board of Deane Homes Ltd 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.

Hiving off housing into a separate company will make co-operation across council departments more difficult. Housing has a direct effect on our health and our children’s education. It makes no sense to create a separate ‘housing company’. It will make ‘joined up thinking’ more difficult

when housing managers are following a separate ‘company agenda’.

The Board of Directors setup gives us a few token tenants, but they will be in a minority and their hands will be tied by company law. Ward Councillors will have the perfect excuse to blame the company – and say there is nothing they can do.

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.

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).

And a 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.

## MID DEVON VOTED NO: We Can Do It Too!

Throughout the consultation process the council has implied that tenants have no collective political power, no political voice, when in fact we DO! This is really insulting. In March 2006 Mid Devon tenants used their political voice and voted NO to the sale of their homes, by a huge majority.



“The ballot result in February 2006 exceeded our wildest dreams. In a 76% turnout, 78% voted against! Whilst the Council spent £750,000 on the process, the tenants’ group spent less than £300, mostly funded by Unison, whose support was crucial. The Council has formally accepted the result.” (Cllr David Nation, Leader, Lib Dem Opposition Group, Mid Devon DC, pictured)

Tenants in Mid-Devon joined an increasing number voting NO in the last year – in Edinburgh, Stirling, Waveney, Selby, Waverley, Cannock Chase, Tower Hamlets and West Lancashire. They join the 123 councils across the UK, including Exeter and East Devon, which have now decided to keep their homes, instead of going for transfer, PFI and ALMOs.

## OUT NOW!

Latest 8-page newspaper from Defend Council Housing. If you haven’t yet received a copy contact us to request one (see details below right).

## Council housing can pay for itself

The House of Commons Council Housing group report identifies the money government is siphoning out of council housing from tenants rents, ‘right to buy’ receipts; the extra cost of consultants and setup costs and higher housing benefit payments.

The MPs call on government to ring fence all the money that broadly ‘belongs’ to council housing and use it to provide an

‘investment allowance’ to enable local authorities to borrow like other landlords, to provide the fourth option.

● For a copy of the report (free to individual tenants) contact Austin Mitchell MP chair, House of Commons Council Housing group, House of Commons, London SW1A 0AA. Phone 020 7219 4559. [www.support4councilhousing.org.uk](http://www.support4councilhousing.org.uk)



# This campaign needs your help!

**Taunton Deane Tenants Against Transfer** reformed in January 2006. We are a group of Taunton Deane tenants, trade union activists and councillors who believe that all Taunton Deane’s tenants need to know ALL the facts about stock transfer before we vote in the late Spring of 2006.

Our two main concerns are the **loss of our legal rights** as secure tenants should a transfer go ahead and the **lack of democracy and accountability** of housing associations.

### A FAIR DEBATE?

Why are the council so keen to keep the case against transfer hidden? Even Aldbourne, the so-called “independent tenants advisor” is paid for by the council – hardly independent! We challenge the council to hold a fair and balanced debate, with equal resources for both sides, so tenants can hear all the facts and arguments.

We are concerned that Taunton Deane Borough Council is spending over £800,000 of our money to pay for this consultation. Taunton Deane Tenants Against Transfer is self funding. Hardly a balanced debate. If you would like to help our campaign **please contact us!**

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. Taunton Deane Tenants Against Transfer can’t use public funds and relies on donations. 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

**Write: Taunton Deane Tenants Against Transfer, 11 Northgate, Wiveliscombe, TA4 2LE**

**Tel: 01823 355567 / 07817 444589 Email: [info@somersetaction.info](mailto:info@somersetaction.info)**

**Website: [www.somersetaction.info](http://www.somersetaction.info)**

**For more information contact the national DCH campaign:**

Email: [info@defendcouncilhousing.org.uk](mailto:info@defendcouncilhousing.org.uk)

Tel: 020 7987 9989 Website: [www.defendcouncilhousing.org.uk](http://www.defendcouncilhousing.org.uk)

This paper was written by council tenants and published by



Taunton Deane Tenants Against Transfer, and funded by UNISON’s General Political Fund

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