

Invest in council housing

We want improvements Not privatisation



Council tenants all over Britain are demanding an end to the bullying and the blackmail. We want decent, well-maintained homes and estates - but we won't give up our secure tenancy for new kitchens and bathrooms. We want both.

We reject the government's three-options, the three card con trick of stock transfer, PFI or ALMO as the only way to get what we need.

There is a 'fourth option' - put the money back into council housing investment. That's the choice tenants want: improvements, without the risks of privatisation.

We demand that every penny of our

We do not want

Stock Transfer Losing our secure tenancy, lower rents and charges, run like a business by a private sector, unaccountable landlord;

PFI Huge costs, complicated business deals, private management, mortgaging the future;

ALMO Private management company, rents wasted on set up costs, uncertain funding. pressure for full privatisation.

rents and all the money from land sales, transfers and Right to Buy is spent on our council homes. Stop robbing our rent - it's meant to keep our homes in good repair, not pay off the national debt!

Tenants, the trade unions and more and more councillors and MPs are a powerful force uniting to make government listen. We know the money is there for direct investment. Privatisation is bad value, and it doesn't deliver the public services we all need.

Investment in council housing is the cheapest and quickest way to improve our estates and build new homes to meet the growing housing need.

More tenants are voting No to transfer and the latest proposals on ALMOs show we are right to say this is two-stage privatisation.

What tenants want is direct investment in decent, affordable, secure and accountable council housing. Britain needs more council housing not less.

Join the campaign to make sure we win - for us and future generations!

No Votes in Edinburgh, West Lancs, Waverley and Tower Hamlets

Tenants reject privatisation in eight ballots before Xmas

Eleven transfer ballots were held in December 2005 and eight of them were NO votes. This is the highest proportion of NO votes in one period and shows the strength of feeling right across the UK.

Tenants in Edinburgh voted against transfer, setting a tone for the rest of Scotland. West Lancashire voted NO as did Waverley tenants in the South East.

In Tower Hamlets, London, tenants in 5 out of 7 areas rejected transfer. The council has postponed other ballots knowing they would lose them now.

It leaves Ministers with a big headache. Their policy of privatisation, already unpopular, is facing growing resistance. 98 authorities have already

decided to retain their homes, and of those proposing stock transfer, PFI or ALMO in the coming months, many expect stiff resistance from their tenants.

Housing Minister, Yvette Cooper has already had to admit their present policy means they won't meet their manifesto commitment that **"By 2010 we will ensure that all social tenants benefit from a decent, warm home with modern facilities."**

Every No vote adds to the pressure for a change in government policy.

If your council is planning transfer, PFI or ALMO contact DCH for help.

By organising locally and nationally we can stop them - and win direct investment.

“ The impact of the Edinburgh No Vote has sent shockwaves across the whole Scottish political spectrum. It has created a debate about how to fund decent affordable council housing where none existed.

Jenni Marrow, Edinburgh tenant and Scottish Tenants Org

My Constituency seconded the Motion at Labour Party Conference.

Tenants were delighted with the overwhelming vote and look to Labour MPs to carry out that policy.

Leslie Christie, Gravesham, Kent

Birmingham tenants voted 2:1 against stock transfer. We saw through their spin.

Together we are a powerful force to win more investment for our homes and estates. **Frank Chance, tenant chair Birmingham DCH**

West Lancashire Tenants and Councillors want to ensure that tenants get a real choice, fair funding and the services tenants pay for - not the one sided propaganda campaign that LSVT promotes.

Cllr. Jane Roberts, Labour Housing spokesperson, West Lancs

After tenants in Ellesmere Port & Neston voted last year to reject "housing transfer" the Council and the local Labour Party had a major re-think.

They realised that the 4th Option was the only way forward.

Ray McHale, Ellesmere Port & Neston DCH

Unison Cymru/Wales are proud to Defend Council Housing. We must ensure that council housing remains where it has always been in the hands of publicly-funded Local Authorities.

Pam Baldwin, UNISON Cymru/Wales

Sunderland Council has now allowed Sunderland Housing Group to dispense with the requirement to elect Tenant board members.

They now hand pick Tenant representatives, so much for the Governments claim for meaningful tenant involvement.

Mike Tansey, Sunderland Councillor

Our campaign in Sedgefield, Tony Blair's constituency, united tenants, trade unionists and some councillors. We won a NO vote in the ballot against stock transfer last July.

If we can stop transfer in the Prime Ministers constituency then we believe an organised campaign can stop transfer anywhere in the country.

Pat McCourt, Amicus Sedgefield

Six reasons for 'Fourth Option'

1 Winning the 'fourth option' will provide a secure future for tenants in the 98 authorities who have decided on stock retention, and tenants in the 43 authorities with ALMOs who now face the threat of the council owned company being transferred into the private sector. We want to protect our security of tenure, lower rents and more accountable landlord from the mercy of market forces - private landlords and the banks.

2 Government should respect the democratic right of tenants to choose to remain with the council and get improvements to our homes and estates. Tenants in 100 authorities where councils are pushing transfer, PFI or ALMOs this year deserve a real choice.

3 Investing in council housing makes sense for the 1.5 million on council waiting lists, including 100,000 households in temporary accommodation, and many others facing chronic over-

crowding. Research by Shelter undermines the government's drive on home ownership. Ownership comes third in the priorities of those in housing need - after affordability and living in a safe neighbourhood.

4 We need to defend local democracy and demand that elected local councils be allowed to get on with the job of providing an essential public service - decent, affordable, secure and accountable council housing

5 Support existing council workers - and the retention of decent local authority jobs across the country - instead of TUPE transfer to private companies

6 Council housing is cheaper to build, manage and maintain than the alternatives. Housing has a huge effect on education and health. Investing in council housing would be the most cost-effective way to end the present housing crisis.

Tenants, trade unions, councillors and MPs say:

'FOURTH OPTION' for COUNCIL HOUSING

Direct investment

Fringe Meeting @ Labour Conference
Saturday Feb 11, Blackpool All Welcome
12 - 2, Orbiston Hotel, 78 Adelaide St (behind Winter Gardens)

Speakers **Austin Mitchell** and **Brian Iddon** MPs,
Jack Dromey (T&G), **Heather Wakefield** (UNISON),
John Allott (Amicus) and **Alan Walter** (DCH)

Back Page >>

Ministers open dialogue with campaign Case for the 'Fourth Option' - direct investment Stop the bullying - we demand a balanced debate

Housing For People

NOT Housing for Profit

Britain's housing crisis is growing: 1.5 million households are on council housing waiting lists, 135,000 households are in temporary accommodation and many more face chronic overcrowding.

Decent, affordable, secure and accountable council housing has served generations well. The problems we face are down to lack of investment.

Councils can build, manage and maintain homes cheaper than other landlords. So it makes sense to step up investment in council housing – not subsidise privatisation and take away our rights, accountable landlord and lower council rents.

The private sector only wants to build

when and where it can make big profits.

Shelter research shows that 72% prioritised a safe neighbourhood and affordability before ownership. The push to increase home ownership is not driven by public priorities but government policy.

Evictions of tenants are up and Shelter is worried about increased repossessions due to mortgage arrears. Government plans to raise council rents to the levels of Housing Associations (RSL rents are on average 20% higher) increases Housing Benefit bills and leads to more poverty and people caught in the benefits trap.

Public subsidy which once went to council housing and was then diverted to

RSLs is now being offered directly to private developers. The government also plans tax breaks, grants and 'gap funding' to encourage Real Estate Investment Trusts (REITs) which are the model for privatising public housing in America and Europe. UK RSLs are already investigating setting REITs up.

Ministers argue (see right) that the amount of money they can invest in council housing is constrained by the Treasury's Public Sector Borrowing Requirement (PSBR) limit and shortage of funds.

But they are not just playing with our homes – they are playing with figures too (see below)!

Ministers open dialogue

Local government Minister David Miliband and Housing Minister Yvette Cooper met a delegation just before Christmas. This was the first meeting with Ministers despite repeated requests in the past.

It shows that the campaign is having an impact and the growing call for the 'Fourth Option' cannot be ignored.

The House of Commons Council Housing group requested the meeting. MPs Austin Mitchell, Frank Dobson, Michael Meacher, Brian Iddon, Ken Purchase and Paul Holmes (apologies from Nick Brown), along with Alan Walter and Eileen Short from DCH attended.

Austin Mitchell, chair of the House of Commons Council Housing group, welcomed the initial exchange and promise of further meetings.

"I very much welcome this

discussion, which opens up a dialogue with ministers about the detail of council housing funding. The meeting is a positive step forward and shows recognition on the part of Ministers for the very broad support for a change in government policy.

"We are very pleased to finally get around the table and seriously engage with ministers on the key arguments we have been putting. The future of council housing cannot be ignored for the sake of 3 million council tenants and their families and all those in need of new council homes.

"The Ministers assured us that their policy is pragmatic and not driven by dogma. This commitment opens up the opportunity to explore ways to find a formula to end the bullying and blackmail and give council tenants a real choice."

'Fourth Option' affordable

Most tenants believe that all the income from our rents and money made from the sale of council homes is re-invested. But it isn't.

Each year government only allows councils to use part of this income - the rest is siphoned off. Next year government plan to withhold £1.55 billion from our rents. They have also been making an annual profit of more than half a billion pounds from 'right to buy' sales.

Stock transfer, ALMOs and PFI are a much more expensive way of improving our homes. Savings on costly setup fees, consultants and glossy PR campaigns to bully tenants could all be spent on our homes and estates.

Ending transfers would save government the cost of writing off council debts to make the sale attractive. There would also be a saving on Housing Benefit bills. Higher housing association rents cost the Treasury more.

All this money could be used to fund an 'investment allowance' to allow councils to improve our homes – which is what tenants want.

In 2002 the Office of the Deputy Prime Minister floated the idea of such an 'investment allowance'.

Now is the time for Ministers to look again at this proposal and give tenants a real choice by providing the 'Fourth Option'.

Many MPs in the dark

Many MPs haven't yet studied the argument. More and more of those who have are now supporting the 'Fourth Option'.

126 MPs have signed the current Early Day Motion in Parliament ('Future of Council Housing' No. 48) and a growing number of ex Ministers and other senior back bench MPs are now joining the campaign.

Ask to meet your MP and put the case for the 'Fourth Option' of direct investment in council housing. Ask them to sign the EDM and join the Council Housing group at Parliament. Let DCH know their response.

Money is there...

● "public spending on bricks and mortar subsidy for council housing [fell] from £5.6 billion in 1980/81 to just £0.2 billion in 2002/03... Over the same period of time total expenditure on housing benefit rose from £2.7 billion in 1980/81 to £8.6 billion in 2002/03" (*UK Housing Review 2005/2006*).

● Landlords and lenders jack up rents to make bigger profits. Diverting money away from council housing isn't what tenants want and doesn't make economic sense.

● Stock transfer has seen council homes almost given away to new landlords. However the income received still adds up and has produced £5.86 billion 'Total Transfer Price' which should be reinvested (*UK Housing Review 2005/2006*).

● "Receipts from the Right-to-Buy sales of council housing that have yielded around £45 billion – only a quarter has been recycled into improving public housing" (*Joseph Rowntree Foundation 01/12/05*).

● £13 billion was taken out of council housing between 1990 and 2003 through the 'Daylight Robbery Tax'. That's almost 2/3rds of what was then needed to bring all council homes up to the Decent Homes standard.

● Government continues to withhold money from tenants' rents: £1.55 billion for 2005/6. This is more than enough to fund an 'investment allowance'.

● Council rents are set to rise via 'rent convergence' but Ministers say "There are no plans to ring-fence rental income within the national housing revenue account" (*Housing Minister, Yvette Cooper, PQ answer 25/01/06*).

● Government is offering subsidies to private developers to build so-called 'affordable housing'. The Mayor of London suggests mortgages based on an income of £47,000 per annum meets the criteria!

● Stock transfer fails to meet the Treasury's performance requirement for Decent Homes "with most of the improvements taking place in the most deprived local authority areas". Investment isn't targeted effectively at the homes that need it most urgently.

● Making debt write off conditional on stock transfer is just blackmail. "Writing off debt owed by local authorities to central government has no effect on the financial position of the public sector as a whole, or on any of the fiscal aggregates." (*PQ answer, 19/01/06*)

Future for ALMOs: Privatisation on agenda

As predicted the government is considering allowing arms length companies (ALMOs) to transfer into the private sector.

They say councils will still own the homes but what happens if the business plans of these companies go pear-shaped? "In the event of an ALMO failing financially the initiative would rest with the funders, rather than with a public sector body" (*UK Housing Review 2005/6*).

Some ALMO directors, senior managers, consultants and lenders are lobbying hard for these changes. To avoid two-stage privatisation, tenants, councillors and trade unionists in ALMO areas need to demand their homes revert back to the council once they have achieved the Decent Homes standard.

“ALMO – it's a 'job and finish'. They were set up to achieve the Decent Homes target. Once they have done their job they are finished. Reverting back to direct council management shuts the door firmly against two-stage privatisation.

Obviously any improved procedures and better tenant involvement under the ALMO can be adopted by the local authority.”

**Councillor Chris Weldon,
Cabinet Member for Neighbourhood
Regeneration, Sheffield Council**

If you don't want to be privatised don't take the first step with an ALMO. Ask yourself why is the government offering extra money for ALMOs unless privatisation is their real agenda?

A report from Save Britain's Heritage on largescale demolition programmes in Pathfinder schemes "accuses housing associations, or registered social landlords (RSLs), of doing deals with councils to raise their income from speculation and development rather than relying on the modest rents from their properties" (*Daily Telegraph, 26/01/06*).

RSL rents are an average 20% higher than council rents; while their chief executives earn between £100,000 and £200,000 a year. Inside Housing reported recently that RSLs are selling off an increasing number of their homes on the open market - 6,000 in 2004/05.

STOP THIS DEMOCRATIC OUTRAGE

Tenants demand 'fair and balanced' debate

Too often councils try and manipulate any 'consultation' with tenants. They spend our rents on a one-sided glossy PR campaign and bullying to try and get tenants to support their proposals.

Councils are increasingly publishing a timetable for their consultation and then balloting early - before tenants get to hear both sides of the argument.

In Tower Hamlets the council has postponed three ballots because their own market research shows they would lose the vote if they held it now. They say tenants are 'confused' and need more time.

Anti privatisation campaigners are frequently denied access to local halls for public meetings, housing staff and consultants often take down our posters and councils use their muscle with local media to keep any debate out of the press.

Where tenants have already said NO councils come back with a second 'consultation' to try and get the right result.

It's a democratic outrage. None of this would be allowed in a General or Local election!

It's a democratic outrage! None of this would be allowed in a general or local election.

The government say they believe in 'choice in public services'. Real choice depends on there being a 'level playing field' for council housing and everyone getting to hear both sides of the debate.

Demand ministers adopt the recommendations from the House of Commons Council Housing group's report. Guarantee all tenants a 'fair and balanced' debate, a formal ballot on a set timetable in every case.

Effective campaigning can win

Experience shows that where tenants join with unions and, where possible, councillors in a broad based campaign we can win the argument on our estates.

If your council is proposing transfer, PFI or ALMO contact DCH for help immediately.

Sefton's Disgrace

In Sefton tenants voted NO to transfer in August – despite the council spending £millions and trying to sack local union officials backing the campaign.

They claimed tenants were bribed and intimidated by anti-transfer campaigners. No evidence has ever been provided but three months later the council reran the ballot whilst conducting a campaign to undermine any opposition.

Tenants opposed to the transfer were sent letters from the council threatening legal action if they entered council blocks "for the purpose of distributing leaflets".

The quick re-ballot saw a much reduced turnout (55% against 68%) but the council got the result they wanted.

Politicians from all parties should be ashamed!