

Defend Council Housing



Time government listened to the people

“Please vote for Council Housing in the priorities ballot on Sunday, and take every opportunity to lobby Ministers”

THE LABOUR PARTY conference provides an opportunity for Ministers to show sense, listen to the people (tenants, councillors, trade unionists and MPs) and to announce a change of policy by adopting the ‘Fourth Option’ for council housing.



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

The last two party conferences have voted overwhelmingly for a ‘level playing field’ for council housing and for the ‘Fourth Option’ as an alternative to privatisation. Several CLPs have submitted ‘contemporary’ motions re-stating this policy and reminding government of the 2005 manifesto commitment “By 2010 we will ensure that all social tenants benefit from a decent, warm home with modern facilities.”

Please vote for Council Housing in the priorities ballot on Sunday, and take every opportunity to lobby Ministers and raise the issue formally in seminars and plenary sessions.

Housing is now a major political issue. Pressure is mounting for a change of government policy and for the ‘Fourth Option’ for council housing to allow local authorities to get on with their job of improving all existing council estates and to start building a new generation of first class council homes to meet housing need.

Shelter has produced new evidence to show that children suffer long term damage from bad housing. This reinforces the need to invest in council housing: the suffering is just as acute if you live on an estate that Ministers are denying decent homes investment to.

“By 2010 we will ensure that all social tenants benefit from a decent, warm home with modern facilities.” Labour Manifesto, May 2005

Housing associations hold massive surpluses (see our new “Case for Council Housing in 21st Century Britain” pamphlet). They are absorbed in mergers and takeovers at an escalating rate, creating remote and unaccountable multi million pound companies. Their chief executives’ pay ‘shot up at more than twice the rate of inflation last year’ (Inside Housing 15/09/06).

Interest rates are rising. So too are the number of people defaulting on mortgage payments. Shelter provides evidence that 72% in housing need put ‘affordability’ and a safe neighbourhood above ‘ownership’ in their priorities. Pouring public subsidies into home ownership rather than investing in first class public housing doesn’t make political or economic sense.

Ruth Kelly, the new DCLG Minister, announced a ‘fundamental rethink about the purpose’ of social housing in June and produced a Discussion Paper and a pilot group to look at changing housing finance arrangements. But Ministers are really talking about walking away from homes and estates that don’t meet the Decent Homes standard, punishing tenants who have voted No to privatisation and ignoring their own manifesto commitment.

Alarming, Professor John Hills, conducting the policy review, is being lobbied to promote private market solutions and remove ‘security’ of tenure for tenants, to turn council and RSL estates into temporary staging posts for homeless families.

LABOUR CONFERENCE FRINGE MEETING

6pm Wednesday 27th Sept, Friends Meeting House, Mount St

- Austin Mitchell MP
- Michael Meacher MP
- Jon Cruddas MP
- Jack Dromey, T&G Deputy General Secretary
- Alan Ritchie, UCATT General Secretary
- Heather Wakefield, UNISON National Secretary
- Gail Cartmail, Amicus Assistant General Secretary
- Alan Walter, chair Defend Council Housing

‘FOURTH OPTION’ for COUNCIL HOUSING

sponsored by



The debate is hotting up. Speaking at a Fabian fringe meeting at the TUC Hazel Beards said government needs to listen to the arguments put forward by Defend Council Housing and its supporters. At Labour’s NEC meeting following the last party con-

“Contact local tenants’ groups and help build local campaigns: whether your Council is stock retaining, ALMO or pushing transfer every area needs to win direct investment as an alternative to privatisation, to guarantee the future of council housing.”

ference John Prescott argued the party couldn’t keep ignoring conference decisions on the issue.

A working group was set up under the auspices of the National Policy Forum in February and tasked to make recommendations to the 2006 conference for inclusion in the 2007 Comprehensive Spending Review. A clear statement from that group is now essential to avoid the accusation that this was just a cynical attempt to kick the issue into the long grass. John Perry, policy advisor at the Chartered Institute of Housing writes this week: “There is already renewed talk about a ‘fourth option’ for council housing and, despite denials, the fact that extra freedoms are being floated is bound to give the idea credibility” (Public Finance, 15/09/06).

Some 98 local authorities in England, and the majority in Wales and Scotland are retaining their homes after consulting tenants. This shows the strength of support for council housing. The 1.5 million households on council waiting lists should be motivation enough to step up investment to build new first class council homes.

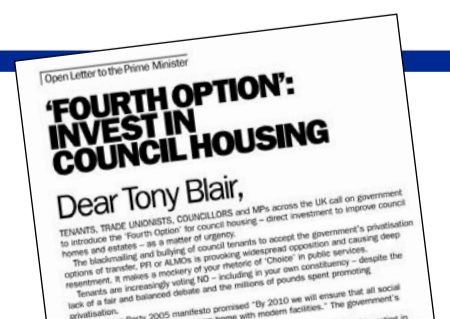
You can help. Contact local tenants’ groups and help build local campaigns: whether your Council is stock retaining, ALMO or pushing transfer every area needs to win direct investment as an alternative to privatisation, to guarantee the future of council housing.

It’s time the government ended its obsession with privatising public services and selling off valuable assets, and stopped ignoring the wishes of tenants.

● Re-affirm Labour conference support for ‘Fourth Option’ for council housing

● Help campaign against privatisation of homes in your area

● SIGN THE OPEN LETTER TO BLAIR





"There is already renewed talk about a 'fourth option' for council housing and, despite denials, the fact that extra freedoms are being floated is bound to give the idea credibility." **John Perry, Chartered Institute of Housing policy advisor (Public Finance, 15 Sept 2006)**

A few facts...

Demand for home ownership hyped up

Shelter found that 72% of people in housing need prioritise 'affordability' and a safe neighbourhood above 'ownership'.

The ODPM Select Committee recommended "It is inappropriate to 'promote' greater ownership as the best option to people who will clearly not benefit from it, and it is important that renting is seen as a positive choice for some households either throughout or at some point in their life." 'Affordability and the Supply of Housing' (ODPM Select Committee, June 2006)

RSLs making massive surpluses

"The non-profit housing association sector makes a surplus, even after tax, of just under half a billion pounds a year, and has non-earmarked surpluses of over £4 billion. That's one heck of a non-profit." Jeff Zitron, Tribal Consulting (Inside Housing, 11 August 2006)

"The 2004 published financial statements of the 553 largest housing associations, responsible for 95 per cent of the sector's activity, reveal that they collectively received £29.2 billion in capital grant and £24.6 billion in private finance. They also show total reserves of £10.8 billion, of which £5.1 billion are revenue reserves, and a pre-tax surplus of £276 million." (Inside Housing, 4 February 2006)

"Housing association chief executives' salaries shot up at more than twice the rate of inflation last year, Inside Housing's exclusive annual survey has revealed." (Inside Housing, 15 September 2006)

"We believe that the target of achieving Decent Homes in the social housing sector is being used as a Trojan Horse by the Government in a dogmatic quest to minimise the proportion of housing stock managed by Local Authorities. The government must put its money where its mouth is and leave it up to tenants to decide who should own and manage their homes."

ODPM Select Committee Decent Homes report, May 2004

Policy criticised

"It's no longer good enough for ministers to say there are only three options available."

Jeremy Beecham, (then) chair Local Government Association, 7 May 2004

"The government should review the council housing subsidy system, considering the following matters: releasing from the system those authorities that can be self-financing, linked with high performance; giving a specific focus on solutions for those authorities that currently rely heavily on the system; ensuring that any re-designed system incorporates the six principles identified by the Commission in this study; and pending any reform of the system, the government should produce an annual report on the national Housing Revenue Account (HRA) to improve accountability."

Audit Commission recommendations, Financing council housing, June 2005

Support local campaigns against privatisation in forty-four areas

LOCAL AUTHORITIES ACROSS England, Scotland and Wales are preparing to ballot more tenants on transfer, PFI or ALMO (see list).

Most will spend a small fortune putting a one-sided argument to tenants: agree with our plans or rot in hell. The finances are never that simple. Many of these authorities can either meet the Decent Homes standard in full or at least do the most urgent improvements using

existing resources. All would be able to carry out the full range of improvements to tenants homes and estates if government provided a level playing field for council housing and made available to local authorities the gap funding and other subsidies offered if they privatise homes.

Please help stop the bullying and blackmail and ensure there is a 'fair and balanced debate. The conduct of consultations is often a dis-

grace: anti privatisation material is taken down by the council, tenants are barred from using local halls for public meetings, staff are threatened with disciplinary action and ballots are brought forward from their published date to wrong foot opponents. Ministers should be embarrassed. Tenants are entitled to full democracy – this conduct should be stopped immediately.

Contact DCH for speakers and help producing local material.

AUTHORITIES DUE TO BALLOT TENANTS

Berwick-upon-Tweed
Blaby
Braintree
Brighton & Hove
Castle Morpeth
Castle Point
Chester-le-Street
Conwy
Crawley

Daventry
Fenland
Gedling
Gravesham
Harborough
Highland
Inverclyde
Lambeth
Lewisham

Liverpool
Manchester
Mole Valley
Monmouthshire
Newport
North Shropshire
North West Leicestershire
Oswestry
Plymouth

Renfrewshire
Rhondda Cynon Taff
Rochford
Salford
Salisbury
South Kesteven
South Northamptonshire
Stirling
Swansea

Tamworth
Taunton Deane
Three Rivers
Torfaen
Torridge
Tower Hamlets
Wansbeck
Watford

Who supports 'fourth option'?

NEARLY THREE MILLION council tenants across the UK would benefit from a 'level playing field' and direct investment that has come to be known as the 'Fourth Option' (housing finances in Scotland and Wales differ in detail but the principles apply). Some 200 authorities would benefit – including the 100 English, four Welsh and 19 Scottish councils who have decided to retain their homes; those who set up ALMOs but

MPs 147 Members of Parliament have signed Early Day Motion 48 Future of Council Housing.

Trade Unions Amicus, CWU, GMB, PCS, RMT, T&G, UCATT and UNISON are all affiliated to DCH. The TUC supports the 'Fourth Option' and the Wales TUC and STUC are both backing local campaigns against privatisation.

Councils: 123 councils across the UK have already decided to keep their council housing:

Adur, Alnwick, Arun, Ashford, Babergh, Barrow-in-Furness, Birmingham, Bolsover, Bourne, Bracknell Forest, Brentwood, Bridgenorth, Bristol, Broxtowe, Cambridge, Canterbury, Caradon,

Chesterfield, Corby, Dacorum, Darlington, Dartford, Dover, Dudley, Durham, East Devon, East Riding of Yorkshire, Epping Forest, Exeter, Fareham, Gosport, Great Yarmouth, Guildford, Harlow, Harrogate, Hinckley & Bosworth, Ipswich, Kettering, Kingston upon Thames, Kingston-upon-Hull, Lancaster, LB Barking & Dagenham, LB Croydon, LB Greenwich, LB Harrow, LB Merton, LB Wandsworth, Leicester, Lewes District Council, Lincoln, London, Luton, Mansfield, Medway, Melton, Mid Devon, Mid Suffolk, Milton Keynes, New Forest, North Cornwall, North Kesteven, North Tyneside, North Warwickshire, Northampton, Norwich, Nuneaton & Bedworth, Oadby and Wigston, Oxford, Portsmouth, Reading, Redditch, Richmondshire, Rugby, Runnymede,

need a secure financial future after the contract expires and those authorities due to consult tenants in the coming year. The 'Fourth Option' is backed by 147 MPs who've signed the current Early Day Motion, the TUC and most major unions. There is strong cross party support, a growing House of Commons Council Housing group and a new association (ARCH) representing authorities who have retained their homes.

Rutland, Sedgefield, Shepway, South Bedfordshire, South Cambridgeshire, South Derbyshire, South Holland, Southampton, St Albans, Stoke-on-Trent, Stroud, Swindon, Tandridge, Tendring, Thanet, Thurrock, Uttlesford, Warwick, Wealden, Welwyn Hatfield, West Lancashire, Winchester, Woking, Wokingham, Wycombe, York, Aberdeenshire, Angus, Clackmannanshire, East Ayrshire, East Dunbartonshire, East Lothian, East Renfrewshire, Edinburgh, Fife, Midlothian, Moray, North Ayrshire, North Lanarkshire, Orkney Islands, Perth & Kinross, Shetland Islands, South Ayrshire, South Lanarkshire, West Lothian, Carmarthenshire, Denbighshire, Pembrokeshire, Powys

A government that listens would keep its promises

In October 2001 the Secretary of State, Stephen Byers said:- "When Councils want to invest in their housing stock, as an alternative to going into the private sector, we deny them the opportunity of doing that. We should give them the opportunity in a responsible way of raising money in that situation".

At a Select Committee hearing in the House of Commons on the 16th January 2002, the Secretary of State was asked: "So, if tenants choose to vote against a block transfer, they are still going to get the target met and the funding will be there to do it". ANSWER: "IT IS A COMMITMENT THAT WILL BE MET IRRESPECTIVE OF ANY DECISIONS WHICH ARE TAKEN BY TENANTS".

"Public financing of housing doesn't treat local authorities on a level playing field and I want to see that changed and I promised to do that and look at an enquiry into it." John Prescott, deputy prime minister, speech to Labour conference 26 Sept 2004

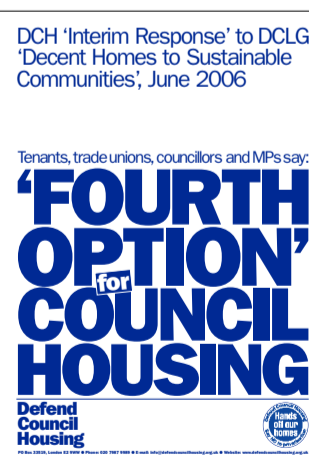
"We will look at the financial framework within which local authorities have to approach stock transfer and ALMOs... We recognise yesterday's vote and we will engage as a result of that... We are continuing negotiation, a discussion, with the various interested parties... We are continuing the review as we promised to do" Keith Hill, Housing Minister, 27 Sept 2004

"calls on government to provide the 'fourth option' of direct investment to council housing as a matter of urgency." Composite 8 passed almost unanimously at Labour Party conference 2005

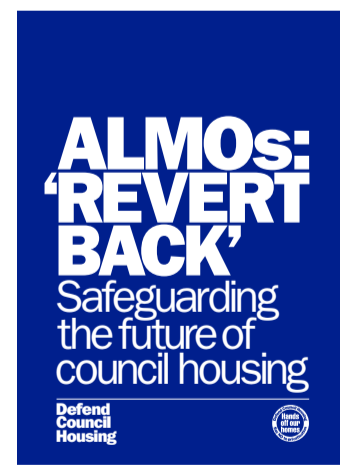


Twenty-eight articles from leading tenants, councillors, MPs, trade union leaders and academics.

Order copies to distribute to tenants, councillors and trade unionists in your area (£2.50 individual tenants and bulk orders; £10 others)



Read DCH response to the DCLG Discussion Paper "From Decent Homes to Sustainable Communities"



DCH and the European Services Strategy Unit at Northumbria University are planning a new pamphlet to make the case for ALMOs to revert back to democratic control once the Decent Homes work has been completed. This is the surest way to see off proposals to take ALMOs through the two-stage privatisation process into the private sector. Help us present the case by contributing comments and experience from your area.

Defend Council Housing

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