

TENANTS WANT DIRECT INVESTMENT - NOT PRIVATISATION

Most housing experts now believe that stock transfer is all but finished because of mass opposition from tenants. The No votes by tenants in Stockport and Nuneaton & Bedworth (since the Communities Plan announcement) makes Ministers even more worried.

PFI is also massively unpopular. Despite hostile public opinion the government attempts to dogmatically drive PFI on. Jeremy Coleman, Assistant Auditor General at the National Audit Office, describes the government's methodology for assessing PFI as "over elaborate models which were prone to errors, irrelevant or unrealistic and pseudo-scientific mumbo jumbo."

Ministers obviously believe the end justifies the means.

ALMOs (Arms Length Management Organisations), like stock transfer and PFI, were also first proposed by the last Tory government and opposed by Labour in opposition. They now claim ALMOs provide benefit by separating housing strategy from day to day management - but they offer no evidence to support this. There is no attempt to show how hiving off housing into a separate company could possibly improve the co-ordination of public service delivery and joined up thinking - a well publicised government aim.

Crucially they cannot explain why extra money is available to councils who set up ALMOs but not to the councils direct if that's what tenants want. **Why force councils with 'excellent' performing housing departments to set up separate companies - unless you have a secondary motive?**

It is not extreme or unreasonable for those

Some councillors have argued that the change to ALMO will only be in name. But the ODPM guidelines and pronouncements make it clear that they want to see ALMOs, like other existing forms of arms length type organisations, independent of council control.

Undermining the role of the local authority has been a clear thread behind the establishment of Trusts, RSLs, New Deal Partnerships, Regeneration Companies, etc which are replacing services traditionally provided by local authorities.

Gordon Perry, now chair of the new ALMO trade organisation, makes a point of stressing "if you are a council who thinks ALMO is an easy, no-change option that keeps the council in control, you are wrong." (Housing Today 4/4/03).

It's an indication of the conflicting interests at stake.

THE AGENDA BEHIND ALMOs

Consultants Ernst & Young, in an official report to John Prescott's department, argue the logic of allowing ALMOs to cut their ties to the council completely.

PriceWaterhouseCoopers reported to Haringey Council "The Consultants recommend that the Council should consider an alternative [an ALMO] which meets its shorter term objectives but which is compatible with achieving full stock transfer in the longer term."

Dexter Whitfield from the Centre for Public Services advised the Camden reference group that there is a real danger that if the council setup an ALMO council homes could fall pray to private companies under the World Trade Organisation's Government Agreement for Trade in Services (GATS) regulations.

of us who believe in council housing to conclude that the government's agenda remains privatisation and that ALMOs simply represent a two-stage strategy. Just ignoring this threat is unserious and dishonest.

The offer of 'easy money' always has attractions, but council tenants have a long term interest in defending our unique 'security of tenure', lower rents and some means of making our landlord accountable through the ballot box.

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Councillors and officers who promote ALMOs express outrage at any suggestion that there is a two-stage privatisation agenda. They expressed the same outrage when Camden tenants described their New Opportunities stock transfer proposals as privatisation in 1997. They hope to use the same tactic today to censor a serious debate about the risk involved with the ALMO agenda.

It's up to all those tenants who believe it's worth fighting for decent, affordable, secure and accountable council housing to make sure their blackmail doesn't succeed now.



CAMDEN DEFEND COUNCIL HOUSING

THE CASE AGAINST CAMDEN HOUSING GOING ALMO



In 1990 Deputy Prime Minister, John Prescott, was reported as predicting the 'end of council housing'. But it has not happened. Tenants and trade unionists along with some councillors and MPs have been resisting privatisation and demanding direct investment with no strings attached. We have already won concessions.

The government is now in a difficult position. They want to complete their privatisation project. They also face the embarrassment of failing to meet their own 'Decent Homes' target unless they either successfully blackmail tenants to accept their agenda or concede direct investment to council housing.

The growing backbench revolt by MPs on foundation hospitals and top up fees for students (two similar New Labour projects) shows how unpopular these policies are and the difficulties Ministers face.

John Prescott's 'Communities Plan' announcement is an attempt to tough it out. They desperately want tenants to accept as a 'fact' that no extra money for council housing will be available.

We are told that stock transfer, PFI or ALMOs (Arms Length Management Organisations) are the only options for extra housing investment but each one looks increasingly shaky - despite Ministers pulling out all the stops to make them stick (continued back page).

Tenants were promised a fair and balanced debate with equal resources to both sides to put their case. Instead the council are using our rents to pay for a one-sided, full colour pro-ALMO campaign. We have to pay for our own leaflets to put the case against!

8 REASONS TO REJECT ALMOs

- 1 This government wants to privatise council housing - ALMOs are part of their strategy
- 2 Camden already has 2/3rds of the money it needs - there is no urgent reason to go ALMO
- 3 Elected councillors will no longer be accountable for what happens to our homes
- 4 A private company means less co-ordination between housing and other services
- 5 Tenants on the board will not be allowed to represent our interests - they will be pawns
- 6 Massive amounts will be spent on consultants and higher senior managers pay
- 7 Ordinary housing workers will lose out by being TUPE transferred
- 8 Winning direct investment without strings is worth fighting for. We can win!

REJECT THE BLACKMAIL. TENANTS ARE IN A STRONG POSITION TO SAY: WE WANT DIRECT INVESTMENT IN COUNCIL HOUSING - WITH NO STRINGS ATTACHED!

WHAT'S HAPPENED TO THE 'FAIR & EQUAL' DEBATE?

At the start of the Camden ALMO investigation there was a clear view expressed by tenants reps on District Management Committees, the Borough Wide Housing Forum and the Camden Fed that any debate in Camden should be fairly conducted with equal resources to ensure that both sides of the argument are put.

Six months ago the Executive Member for Housing promised the council would consult tenants about whether we even wanted to look at ALMOs before proceeding to a formal stage.

Now they are talking about a hard sell PR job to try and make the outcome seem a foregone conclusion and the commitment to a fair and balanced debate with equal resources is being ignored.

Many of us warned that the council would use a talking shop involving tenants reps to give its 'consultation' some credibility and would then push a pro ALMO position when it felt the time was right.

The group has been discouraged from reporting back to tenants 'too early' and then encouraged to accept the council putting in an 'expression of interest', submitting a formal bid and rubber stamping a crudely pro-ALMO 'special housing news' without consulting tenants.

Whilst the council spins an overwhelmingly positive message about ALMOs it is not even clear what the actual benefits for tenants would be. Meeting the government's Decent Homes Target has become the main motivation. The Decent Homes Target may be crucial for the government's political future but even councillors and senior officers accept there is a serious mismatch between the government's requirements and the priorities that Camden has identified.

Are we being sold ALMOs because it's the only way to get the repairs and improvements tenants want or because it's the only way for Camden Council to get another government award?

Aside from the argument about two-stage privatisation there has been no serious debate about how much would be

spent on expensive ALMO setup costs, what happens if the government gives only a part of what Camden asks for, the impact on housing workers, potential disruptive knock on effects for the housing service and for other council services, and the crucial issue of accountability.

There is a big play that ALMOs will give tenants more power through having reps on the board. But the minority of tenant board members will have their hands tied tightly by company law (they are not be able to act as 'representatives and will not be accountable to fellow-tenants). The elected council will also be let off the hook, ending the unique relationship between council tenants and their landlord. More and more the views of senior officers and unelected 'independent' professionals will dominate decision making.

Council housing being run by a quango isn't an accident. This commercial 'board' structure is a key part of New Labour's 'Third Way' strategy. All the talk of empowerment and stakeholders hides a reality where most people feel less powerful and those making the decisions are less accountable. ALMOs will weaken an effective and independent tenants movement and the ability of tenants to hold our landlord to account.

The call for payments for board members should sound alarm bells and remind us how easy it is for individuals to use the new structures to advance their own personal interests.

Over 200 councils have put off a decision on their housing 'options'. The number of councils applying for ALMOs and transfers is far lower than expected. Many of them are only going through the formalities and don't expect to get tenants' support.

That means that the government's policies are already in trouble. Announcing the 'Communities Plan' was easy but driving it through is proving much more difficult.

We are pushing council housing



If privatisation is not behind the government's ALMO agenda why must councils set up a private company?

Tenants in Camden have played a major part in defending council housing against government attacks. We fought big rent increases under the Housing Finance Act in the 70s (see picture), stopped HATS in the 80s and stock transfer in the 90s.

Every time we were told there was 'no alternative' - and proved them wrong.

Why should we just roll over now and accept anything less than direct investment in our homes - with no strings attached?



If you believe in defending council housing leaflet your estate or street, put up posters and help organise a local public meeting

THIS CAMPAIGN CAN WIN!

up the political agenda. There is overwhelming support for direct investment in council housing and little popular support for the government's strategy. The government has already been forced to make concessions and many tenants, councillors and MPs believe much more can be won.

115 MPs, from all the main parties, have signed the 'Council Housing' Early Day Motion in Parliament - including an impressive list of ex Ministers.

Growing opposition by backbench MPs to 'foundation hospitals' (the NHS equivalent to ALMOs) will also strengthen the position of tenants in Camden and elsewhere sticking out for direct investment with no strings.

Senior local councillors in many areas are now signing up to the campaign's six demands following the mass 'Lobby for Council Housing' on January 29. The 'tenants commission' in Hammersmith & Fulham has been in the news for deferring a decision so they can continue to lobby Ministers.

This all puts government under more pressure - not less.

Politicians may promise that two-stage privatisation is not part of their agenda but politicians often break promises. Whilst they worry about being 'on message' council tenants have to worry about the future of council housing.

We didn't accept the blackmail in 1997 that stock transfer was the only way to get new windows and roofs repaired. Miraculously money was found and we lost nothing by saying NO. Despite its problems council housing is popular and needed by more people than ever. It's worth fighting for. We shouldn't accept the same blackmail today.

THERE'S NO IMMINENT MELTDOWN OF CAMDEN COUNCIL HOUSING - WHAT'S THE URGENCY FOR GOING ALMO NOW?

We are not facing a major repairs crisis in Camden. The existing budget (without going ALMO) shows that Camden will have enough money to do two-thirds of the work to achieve the Decent Homes Target. Any more

concessions we win from the government will bridge this gap further. This will easily cover all those homes in urgent need of improvements. We might not meet the government's target but how significant will that be for tenants? Until we get precise details on what investment is planned for each estate tenants will not know how important this work is to them.

The council, using figures from its own Business Plan, projects that Camden will need £1.57 billion for investment over 30 years (approx £50 million a year) and that approximately £50 million a year is available (under existing arrangements) until 2016. We are not debating the imminent crisis in Camden's housing but what happens beyond 2016. That's something that no one can be certain about. The fight for investment in council housing is part of a bigger battle going on about the future of public services.

Why then is the council now trying to whip up a sense of urgency about going ALMO? Surely we should be stepping up - not reducing - the pressure on the government.

Camden MPs, Frank Dobson and Glenda Jackson, have opposed 'foundation hospitals'. Write and urge them to oppose ALMOs - the housing equivalent - too (House of Commons, London SW1)

