

Defend Council Housing

SEPTEMBER 2009

COUNCIL HOUSING: Time to invest

MAKE SURE GOVERNMENT DELIVERS ITS PROMISES



THE DETERMINED CAMPAIGN for the 'fourth option' for council housing is bringing results. Years of council tenants' opposition to privatisation, three consecutive votes at labour party conference, and the housing market crisis, have forced the Government to start shifting policy.

Ministers have now recognised the need for investment in existing and new council housing, with proposals to increase resources. There are many concerns about the latest proposals: the resources on offer are not enough, they need to be based on firm commitments not vague assurances, and there are risks attached. To deliver the 'sustainable long-term future' for council housing Ministers promised they must now ensure that every council has enough funding to bring all homes and estates to a decent standard, and to maintain that standard. Without this, the threat of privatisation will remain.

The private sector – even before the credit crunch – failed to provide the homes people need at a price they can afford. We need a massive programme of investment in housing for the nearly 5 million on waiting lists, the overcrowded and stuck. It's essential these have secure tenancies, low rents and an accountable landlord. Council tenants have fought to defend decent, affordable secure and accountable council housing because the alternative 'social' and 'affordable' housing is less secure, more expensive and totally unaccountable.

Recent rule changes make it easier for councils to build, and new funding for 3000 new council homes is welcome. But this is nowhere near enough.

A new generation of first class council homes built using best design and materials with good facilities, is the only way to resolve the massive housing crisis and prevent market madness dragging Britain's economy into ruins.

The current Reform proposals

are out for consultation until 27th October. Our united campaign of tenants, unions, councillors and MPs will demand Government deliver on the promise of long term sustainable funding. We must keep up the pressure for:

- 1** An immediate moratorium on all stock transfers, options appraisals – and the demolition and selling off vacant council homes driven by funding need;
- 2** Fully funding allowances at level of need, to ensure every council home and estate is improved and permanently maintained at a decent standard
- 3** Guaranteed capital funding to meet all the improvement backlog
- 4** An increase in allowances, and capital grants, to be included in the 2009 Autumn spending plans to show good faith
- 5** Write off debt from councils to remove the rent robbery
- 6** Fund a mass programme of first class council house building
- 7** Protect our affordable, secure, accountable council housing - a reformed national HRA is best for tenants

"The policy pursued by successive governments that social housing should be provided by housing associations and that local authorities should be compelled to divest themselves of their housing stock ... has been an unmitigated failure and has continually failed to provide sufficient social housing units to meet demand."
(Motion passed by TUC Congress September 2009)

COME TO PARLIAMENT

Tuesday 20th October, 2pm, Wilson Room

House of Commons Council Housing Group launch of their new Report

With Austin Mitchell MP

Hear latest evidence and information on proposed Reforms of funding for Council Housing

Ask your MP to meet you there



Tenants, trade unions, councillors and MPs say:

'FOURTH OPTION' for COUNCIL HOUSING

We need a strong response to the government's proposals to reform council housing finance – come and hear the views and arguments. United we can win a sustainable future for existing council housing and a massive programme of new-build.



"A Labour government cannot leave council tenants who have rejected privatisation without improvements...Conference re-affirms the decisions of the 2004 and 2005 party conferences and our commitment to a 'level playing field'. This should include ring-fencing all the income from tenants rents, capital receipts as well as equal treatment on debt write off and gap funding available to councils who transfer their homes to give tenants real choice and provide a long term future for council housing. Conference again calls on government to provide the 'Fourth Option' of direct investment to council housing as a matter of urgency."
(Composite 10, 2006 Labour Party conference)

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

"The purpose of the review is to ensure that we have a sustainable, long term system for financing council housing." Yvette Cooper, 12 December 2007



● Respond to the consultation on the review – make sure government delivers on its promises

● Campaign against privatisation of council housing in your area

DefendCouncilHousing



GOVERNMENT PROPOSALS TO REFORM COUNCIL HOUSING FINANCE

DCH is demanding...

The current Reform proposals offer to increase resources for council housing and to reduce the rent robbery government would otherwise take over the next 30 years. This is positive; but there are strings attached. The key question is: will the extra resources be enough?

1 An immediate moratorium on all stock transfers, options appraisals – and the demolition and selling off vacant council homes driven by funding need

It makes no sense to for councils to continue expensive and wasteful privatisation when funding for improvements and new build is available or pending. Council homes sold off or demolished this year will outnumber the 3,200 new build just announced.

2 Fully funding allowances at level of need, to ensure every council home and estate is improved and permanently maintained at a decent standard

Government is not offering the full amount identified by its own research. "We believe the government should take a further look at factoring in a greater (10%) uplift for services to bring council housing funding in line with housing associations... CIH supports a significant uplift in funding for future major repairs at the full level identified by BRE, a minimum of 43%." (HRA Reform: the really big issues, Chartered Institute of Housing, Sep 09)

3 Guaranteed capital funding to meet all the improvement backlog

Government have now accepted that there is a £7 billion backlog of major works and has promised capital grants to carry out this work. To show good faith, and meet their manifesto commitment, they need to allocate funding (and make the

first tranche of the money available) immediately. No councils should accept a settlement based on vague promises of future grant funding.

4 An increase in allowances, and capital grants, to be included in the 2009 Autumn spending plans to show good faith

Government has accepted that management, maintenance and major repairs allowances are under-funded; they must increase these allowances in this autumn's subsidy determination to end the disinvestment scandal.

5 Write off debt from councils to remove the rent robbery

As the MPs report shows, government have already taken from council tenants enough to pay off the historic debt many times over. When homes transferred to housing associations debt was paid off by government. That's why we call for a 'level playing field' on debt write-off.

"Through our Places You Want to Live campaign the LGA has lobbied the government hard about the lack of funding available for the building, repair and maintenance of council housing... We continue to call for...historic 'notional debt' – which councils are currently spending £1.3 billion a year servicing – to be cancelled" (Local Government Association, Briefing, 29 June 2009)

6 Fund a mass programme of first class council house building

The government's proposals to allow councils to keep all right-to-buy receipts in future and all rents from new-build are welcome. So is the funding for 3,000 new homes. But it is nowhere near enough. The MPs report calls for a million new council homes to resolve the housing crisis, create jobs, and help the economy.

7 Protect our affordable, secure, accountable council housing – a reformed national HRA is best for tenants

The government proposals would break up the existing national regime with each council going it alone. Self-financing means risk for councils and tenants.

Tenants are also suspicious that self-financing will weaken our ability to fight further privatisation, uncontrolled rent rises, capping housing benefit, and councils raiding our rents for non-housing services. Breaking up the national council housing sector could leave tenants feeling more isolated, making it harder to resist market rents and attacks on our 'secure' tenancies.

We believe that even with guarantees and safeguards the present proposal would not make the risks of self-financing justified. A reformed national system is safer, and our preferred option.

Help bring this campaign to a successful conclusion: respond to the government's consultation on housing finance reform. See www.defendcouncilhousing.org.uk for more details.

"At long last the wind may be starting to change. Our task now is to inject some real ambition and urgency so that sufficient council houses can be built, and existing homes can be properly maintained and modernised. Decent homes and decent jobs – this is the challenge that Defend Council Housing, the TUC, and the MPs who have worked hard to produce this timely report all share... together we can succeed."

TUC Deputy General Secretary Frances O'Grady

"We have got to maintain the alliance between unions and DCH and tenants, and push the government to go one step – or several steps – further. There is some hope but we need to not be complacent." **Heather Wakefield, National Local Government Officer, UNISON**

"We would not have the focus of government if it was not for the campaigning activity of DCH at Labour conference and the TUC, for the Fourth Option. We are winning, and that is much due to the work of DCH and the unions. This needs your practical support."

Gail Cartmail, Assistant General Secretary, UNITE

MPs report sets out the case for investment

"Our council would build houses if given permission to do so...income would have made a huge difference and even now would make it much more practical for councils to build new homes."

Cora Carter, Chair, Kirklees Federation of TRAs

"We must have a significant program of new build Council Housing and a re-ignition of the current stock of homes and their surroundings. And this is not just necessary to kick-start our way out of recession. Society has to address the severe shortage of housing - with a queue of over 4 million people waiting for the 200,000 Council homes that become available each year the crisis is real and immediate."

Brian Strutton, National Secretary, GMB

"We don't want special treatment, but the same opportunities as Housing Associations. We want to provide quality housing where people chose to live. We do not see why our tenants should be penalised for choosing to remain with the council."

Clr Rosemary Bowler, Chair of Scrutiny Committee, Bolsover council

● The House of Commons Council Housing Group report Council Housing: Time to Invest is packed with evidence from the MPs' Inquiry on 25 February, in which 200 tenants, councillors, officers, academics and trade unionists took part. Order copies of the report from Austin Mitchell MP, House of Commons, London SW1A 0AA (£10 each; £5 for orders of 10 or more)

What you can do

- Find out what the Government proposals would mean for your council – let us have figures
- Organise a meeting to debate the proposals locally – contact us for a speaker.
- Campaign: privatisation is still a risk. Find out what the council is planning in your

area. Make sure they don't get away with stock transfer, PFI, or selling off empty homes to raise money. Contact us for help.

- Respond to the consultation before 27 October to: councilhousingfinance@communities.gsi.gov.uk

Or by post to: Review of Council Housing Finance, Communities and Local Government, Zone 1/J9, Eland House, Bressenden Place, London SW1E 5DU

- Come to the launch meeting at the House of Commons on 20th October, 2-4pm