

Defend Council Housing



Spring 2006 25p

Reasons to oppose transfer, PFI and ALMOs'

Tenants want to keep our secure tenancies, lower rents and accountable landlords. We don't want the risks involved with stock transfer, ALMOs and PFI.

See page 4, 5 and 6

'Fourth Option' affordable

The financial case for the 'Fourth Option' is strong. If all the money that belongs to council housing is reinvested then councils can improve our homes and estates which is what tenants want.

See page 2

NO votes from Edinburgh to Tower Hamlets

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.

See page 3

Effective campaigning wins

Together we need to make sure there are effective campaigns in every area to make sure all tenants hear the arguments. If your authority is promoting transfer, PFI and ALMOs contact DCH for help with material and meetings.

See page 7

Make 'Fourth Option' election issue on May 4

We urgently need investment to improve council homes and build new ones. Candidates in the local elections should be asked to pledge their support for an immediate change in policy.

See back page

Government policy now set to change

Tenants say stop all stock transfers, PFI and ALMOs

1300+ attend lobby and rally

MORE THAN 1300 TENANTS, trade unionists and councillors, from over 90 areas across Britain took part in the Lobby of Parliament and rally for the 'Fourth Option' on 8 February.

Feb 8th strengthened the resolve of tenants, councillors and trade unionists to resist the government's three options of transfer, PFI or ALMO and press home the demand for the 'Fourth Option' – direct investment.

Thirty-two speakers addressed the rally including tenants fighting privatisation, senior MPs, trade union leaders and senior councillors. The platform demonstrated the breadth and depth of the campaign – and our determination to win.

The day raised the confidence of delegations from every part of the UK and provided an opportunity to share experience and lobby MPs.

Policy review announced

A change in government policy on council housing is in the pipeline. This marks the end of the line for all those trying to tell us 'government policy is set in stone' – it clearly isn't.

Councils pushing tenants to accept stock transfer, ALMOs or PFI schemes must now be told to put their plans on hold and stop bullying and blackmailing tenants that there is no alternative to privatisation.

Before Christmas Ministers David



Tenants, trade unionists, councillors and MPs united on February 8 to win 'Fourth Option'

Miliband and Yvette Cooper met the campaign's Parliamentary group to discuss our case for the 'Fourth Option'. They assured us the government's position was not dogmatic and promised to look at the detailed financial case for the 'Fourth Option' we presented. A meeting with ODPM officials is planned before meeting Ministers again.

The Labour Party National Policy Forum has set up a working group under its Sustainable Communities Commission, to address the terms of the motion passed 'almost unanimously' by Labour conference last September.

At Labour's spring conference in

Blackpool (Feb 11/12) delegates quizzed Ministers and pressed for action. Jack Dromey, T&G deputy general secretary and a member of the new working group explained the terms of the review at the DCH fringe meeting (see right).

The government's position has become more and more isolated. Stacked up against them are reports from the influential ODPM Select Committee, Public Accounts Select Committee, Audit Commission, Housing Quality Network and the Council Housing group of MPs.

Ministers recognise that their policy is deeply unpopular and unsustainable. They want to try and delay a

change in policy until the Treasury Comprehensive Spending Review in 2007. 'Fourth Option' supporters are pleased the government is now moving – but we're not prepared to wait that long!

Help step up the pressure at national level and organise an effective campaign in your area to oppose any council plans to transfer, PFI or ALMO council homes.

Decent, affordable, secure and accountable council housing is worth fighting for – for existing tenants and future generations. Together tenants, trade unions, councillors and MPs are a powerful alliance – and we are determined to win!

Engage nationally & campaign locally for No votes

The government has said, we can't go on ignoring decisions of the party, we should now engage in that debate. And so through the National Policy Forum there will now be a debate over the next 18 months. A working party has been set up, myself and six others, to work out how councils can meet the needs of tenants.

This will look at two things – greater freedoms for councils to improve their housing, and for councils to have a role in new build...

My view is the door is open, but it won't be easy. We can only win by a combination of the power of our arguments and the power of our campaigning.

We must continue to engage nationally and to campaign locally for NO votes until we see tenants

having a real choice and councils having real freedoms.



JACK DROMEY, T&G deputy general secretary, DCH fringe meeting, Labour spring conference, Blackpool, 11 February 2006.

REASONS TO REJECT PRIVATISATION

1 Higher rents and service charges

Stock transfer, PFI and ALMOs threaten our security, push up rents and charges, and weaken our say over our accountable landlord.

- Stock transfer means your homes go to the private sector in one step. You lose your 'secure' tenancy, rents and charges rise and your home is run like a business, with banks

2 Tenants' security under threat

and highly-paid executives in the driving seat (see centre pages).

- ALMOs were introduced in areas where tenants and councillors will not accept transfer. But don't be fooled – Arms Length Management Organisations are a two-stage strategy to privatise council housing. If they

3 No accountability

have extra money for ALMOs why not for councils direct – unless privatisation is their real agenda?

- PFI means a multinational private consortium running your estate for 30 years! PFI in schools and hospitals has been a disaster. Profits come first, with massive

4 Big profits and fat cat salaries

delays, spiralling costs and standards of work and specifications cut.

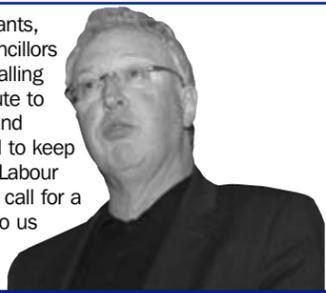
- Organise a campaign against transfer, ALMO or PFI in your area. Demand a formal ballot and insist the council organise a fair and balanced debate so tenants hear both sides of the argument.



I believe all council tenants have the right to remain with their local authority if they wish. It is also essential that freedom of choice is not artificially distorted by a financial regime that penalises tenants who want to stay with their local authority. We must campaign for a level playing field." **Clive Betts MP**



Unison is very proud to be part of the alliance of tenants, tenants' organisations, Defend Council Housing, councillors and MPs opposing the privatisation of housing and calling for direct investment in council housing. We pay tribute to all the union activists and tenants organisations up and down the country who have successfully campaigned to keep their housing stock with the council. Two successive Labour conferences have given overwhelming support to the call for a council's right to invest in their housing... it is clear to us that we are winning the argument. **Keith Sonnet, UNISON deputy general secretary**



Stop robbing council housing

'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'.

How 'Fourth Option' formula could work

In discussions leading up to the 2004 Labour Party conference deputy Prime Minister, John Prescott, accepted in principle the argument that 'good' performing councils should be able to access the extra money available to ALMOs – without setting up a private company. Treasury officials endorsed the proposal so long as extra public money was clearly linked to 'good' performance. This would provide a so-

lution to 2 and 3 star councils.

DCH and the Council Housing group of MPs have suggested that the ODPM set up a 'Continual Improvement Task Force' to help authorities with less than 2 stars improve their performance.

Councils with a good record on particular aspects of housing management and finance could second experienced officers to work with other authorities

to help them improve. This strategy would raise standards enabling more authorities to achieve 2 stars and so access extra investment by meeting the Treasury's performance criteria.

The additional money could be provided by ring fencing all the income from rents and capital receipts and from big savings on expensive consultants and setup costs associated with privatisation.

Nearly 250 areas will benefit from 'Fourth Option'

Tenants, trade unionists and councillors in nearly 250 local authorities have a direct interest in winning the 'Fourth Option'. It would provide a secure future for nearly three million households.

98 authorities have opted for 'stock retention'. Whilst they can meet the minimum Decent Homes standard many will struggle unless additional resources are secured. Most need additional investment to carry out improvements beyond the Decent Homes standard and to maintain council homes and estates after 2010.

Some 90 authorities have still to 'consult' their tenants on stock options. They hope to bully and black-

mail tenants to accept stock transfer, PFI or ALMOs. But most expect stiff opposition. The 'Fourth Option' provides an alternative to privatisation.

Nearly 50 authorities have gone ALMO. Tenants were assured this was only to get extra investment and that the ALMO contract would expire after five years. Now the National Federation of ALMOs are proposing transferring the ALMO companies into the private sector. The 'Fourth Option' would see off their two-stage privatisation plans and get ALMO homes back to direct council management once they have completed the Decent Homes work. This is what tenants want.

Lobby your MPs

136 MPs have signed Early Day Motion 'Future of Council Housing', No. 48 in Parliament. Contact your MPs and request a meeting. Ask them to sign the EDM and join the Council Housing group of MPs.

Councils join ARCH

More than 50 councils came together in November to form the Association of Retained Council Housing (ARCH) to lobby for direct investment. Get your council to join – further information from John.Ford@bolsover.gov.uk

'Government more isolated'

Audit Commission calls for change

The Audit Commission report ('Financing Council Housing', July 2005) added to the pressure on government to change the rules on housing finance. It recommends that "The government should review the council housing subsidy system" and argues clearly that the current system of negative subsidy does not make sense and is not equitable.

The report described existing housing finance rules as 'perverse'. As well as calling for a 'review' it addressed the issue of the small number of authorities with high levels of debt from building council homes. It recommended "giving a specific focus on solutions for those authorities that currently rely heavily on the system."

Housing Quality Network confirms robbery

Housing Quality Network, one of the ODPM's key partners, has confirmed that government is siphoning off money from tenants rents.

HQN's 'Guide to Housing Finance – the Key Facts' identifies that on the revenue side government is taking money out of council housing. "Nationally for 2006/07 taking management and maintenance allowances, the supported capital expenditure requirement and the major repairs allowance less guideline rents there is a £400 million surplus, i.e. resources taken out of housing. If other items of expenditure are included, such as

revenue support to the ALMO funding, PFI support debt premiums, other reckonable expenditure and debt management then the system appears to be in surplus by £93m – a tax on tenants!"

This is on top of the profits that government is making from 'right to buy' and other capital receipts

ODPM Select Committee says government 'dogmatic'

The influential ODPM Select Committee of senior backbench MPs produced a critical report on the government's privatisation drive to meet its Decent Homes target. MPs concluded "The Government is in effect using the Decent Homes target as an indirect means to level local authority housing stock out of direct local authority control, or even ownership..." "The Committee recommends that the Government revisit its dogmatic pursuit of the separation of stock management and strategic management of housing. A flexible policy and a level playing field is needed so that tenants and Councillors can tailor solutions to suit local circumstances."

"The Committee recommends that Local Authorities be granted wider rights to borrow prudentially against rental income streams for the purpose of improvements to their stock and to help create sustainable communities. We recommend that the Government reconsider adopting the principle of investment allowances to Local Authorities."

Reinvest money in council housing

- "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)

'Moonlight Robbery set to get worse'

The government should stop the practice of siphoning money from tenants rents ('Moonlight Robbery') and use it to increase Management and Maintenance Allowances for council dwellings.

On the governments own admission, based on research it commissioned from the Building Research Establishment, Management and Maintenance is currently funded at only 60% the level of need.

The draft subsidy determination for 2006/7 increases the Moonlight Robbery of council tenants. On average the government plans to claw back £675 for each tenant. This has increased by £105 on the previous year.

2006/7 DRAFT SUBSIDY DETERMINATION

Governments average assumed rental income	£2,912
per property per year	
Amount allowed for management and maintenance	£1,601
Amount allowed for major repairs (Major Repairs Allowance)	£636
TOTAL ALLOWANCES	£2,237
GAP between assumed rents and allowances = "MOONLIGHT ROBBERY"....	£675

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 overcrowding. 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.

“ One of them [housing associations] used to allow the tenants to elect the representatives, but in a new Stalinism they have changed the rules and they now select the tenants representatives! If local people choose to stay with the council accept it, find the money, and accept the Fourth alternative. I cannot understand why we are following a policy that is both wrong and unpopular because that is the daftest possible policy for any political organisation to follow.” **Frank Dobson MP**

“ 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. It's important that tenants, trade unionists and councillors in other areas facing transfer hear the whole story – not just one side of it.” **Councillor Mike Tansey, Sunderland**

“ 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, a one way street.” **Paul Holmes, MP**

“ We've got thousands of people on our waiting list. We've taken a position in Barking and Dagenham to fight against that, to defend council housing. Think of the £millions spent each year on housing benefit subsidies. Every young family that gets housed in Barking and Dagenham, it's through private renting because the government picks up the bill. How many homes could be built each year out of that housing benefit money? [They are] condemning families to a life on benefits because they can't afford the rent.” **Councillor Liam Smith, Barking and Dagenham lead member for housing**

THE CASE AGAINST STOCK TRANSFER

Transfer of council housing to an RSL means the loss of our secure tenancies, higher rents and service charges, a less democratic housing service, increased homelessness, big pay rises for senior managers and profits for the banks.

It's risky. The new landlord may get into financial trouble and be taken over; or they expand and diversify into a huge business empire. And if it goes wrong there is no return. Transfer is a one-way ticket.

Transfer Means Privatisation

Registered Social Landlords (RSLs or housing associations) are private companies in law and borrow directly from the private market. “Walker (2000) characterises housing associations as behaving increasingly like private sector organisations ‘property-driven’ and managing stock as an asset to maximise returns” ‘Changing Boards, Emerging Tensions’, Liz Cairncross, Oxford Brookes University, Spring 2004

Transfer means privatisation in law and in practice. RSL board members are often paid, executives are on fat-cat salaries, and banks and lenders are in the driving seat.

Many transfer associations set up group structures to get into private housing – market renting, new development and building luxury houses for sale. Transfer gives them all the land

our estates are built on - some of it seen as prime development sites. Transfer plans often include demolition and higher density rebuilding – including new private luxury homes our children won't be able to afford.

RSLs may be technically ‘Not for Profit’ but they aren't in it to do you a favour. BUPA says it is ‘Not for Profit’ too - you wouldn't trust them running the NHS!

“Housing associations have become so obsessed with building new homes that they are ignoring their core housing management role, the head of the government's housing watchdog has warned.

The Audit Commission's chief inspector of housing Roy Irwin said too many associations “chase the customers they haven't got and neglect the ones that they have got”.

Inside Housing 30 September 2005

Housing associations have been urged to build more homes for outright sale by the leader of their trade body.

National Housing Federation chief executive David Orr said this week that housing associations' futures lay in development for the open market, which would inject more cash into both public and private sector housing.

Inside Housing 24 February 06

Higher rents and service charges

RSLs are driving rents up. RSL rents are on average 20% higher than council rents (Housing Corporation figures). And the Consumer Price Index shows they are rising faster : for the 12 months to September 2005 council rents rose 4.7%; RSL rents went up 5.4%. So much for ‘rent convergence’.

The National Audit Office found 17% of transfer associations had broken rent guarantees. Research for the House of Commons Council Housing Group showed 15 of the 20 fastest-increasing housing association rents 1997 to 2004 were in housing transfer districts. In Wyre, Lancashire, there has been an average rent rise of 56% in the nine years since transfer, way above the 24% average RSL rent rise for the same period in England (‘RSLs rent by district from 1997’, ODPM)

The new landlords can increase rents if they claim they are providing new facilities, and they can also hit tenants hard by redefining part of the rent as new ‘service charges’. Some demand £20 plus a week in service charges on top of rent. RSLs can raise the rents of any new tenants immediately to the ‘target level’, creating a two-tier system and an incentive to get existing tenants out.

Less Security

On transfer tenants lose our special ‘secure’ tenancy and get an ‘assured’ tenancy.

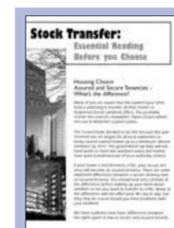
RSLs have higher eviction rates. According to Communities Scotland housing association evictions had risen by 64% in 2000/1 to nearly double the rate for council evictions.

Secure tenants are “protected by arguably the most generous charter of rights available in the residential sector. That security is lost on transfer.” (‘Large Scale Voluntary Transfer: not all honey and roses’, Jan Luba QC, (2000) 4 L.& T. Rev. 6)

There are differences in law between the two types of tenancy. A promise by the new landlord not to use certain powers is not the same as the statutory rights ‘secure’ tenants have in law.

Mergers & Takeovers

We're told transfer will be to a locally-based organisation. But this doesn't last long. There is a high risk the new landlord will get into financial trouble and be taken over, or will expand and diversify into a huge business empire. Smaller associations tend to become part of a group structure.



“If the council wants to evict you, they must prove both the ground for possession (e.g. rent arrears, anti-social behaviour) AND that it would be ‘reasonable’ to evict you.... A RSL can seek to evict you without the court having to consider ‘reasonableness’ in 8 out of 17 grounds for possession. For example if you are more than 8 weeks in arrears of rent on the day of the court hearing, the court will have to make a possession order even if the arrears are not your fault. (Ground 8).” (‘Stock Transfer: Essential Reading Before You Choose’, Tower Hamlets Law Centre)

Councils claim that the new landlord will write the equivalent of a secure tenancy. The Law Centre say:

“If an RSL wants to ignore the promises they have made in a tenancy agreement, and rely instead on the weaker rights set out in law, they may be able to do so. In a leading court case a judge found that a housing association were entitled to override the promise they had made to always give notice before issuing proceedings, because this was allowed by statute.”

Bigger RSLs pay their senior managers more! The last two years have seen over 100 full scale mergers, with nearly 70 more becoming subsidiaries within a larger group. (Inside Housing, 10 Feb 2006)

“There is a merger mania just now that is being fuelled by the Housing Corporation saying future development cash will be concentrated on fewer and fewer associations.” (Derek Joseph, Managing Director, Tribal

One fifth of transfer RSLs have had to be placed under supervision by the Housing Corporation. ‘Such action, which involves the appointment of external experts to the board of the association, is only triggered by poor performance or serious management irregularities’ (The Guardian, 25 May 2005).

HCH consultancy Society Guardian, 9 May 2005)

Tenants don't get a vote on take-overs or mergers. And the take-over RSL is 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)

Wasted Money and Broken Promises

According to the National Audit Office, it costs £1300 per home more to improve homes after transfer than it would cost if councils were given the money to do the work themselves. (‘Improving Social Housing Through Transfer’, 2003)

Councils, as public bodies, are able to borrow money at a lower rate of interest than housing associations. The ‘management costs’ of housing associations are also higher - in other words they pay fat-cat salaries to senior executives, and spend a fortune on new office buildings and glossy

Parliament's Public Accounts Committee found only a 3% increase in tenants satisfied with the condition of their home (81% from 78% before transfer) – even after improvements had taken place (but often before rent guarantees ran out). Only 85% of tenants considered that housing services were at least as good as before transfer; while satisfaction with the quality of repairs went down (63% against 68%).

Improving Social Housing Through Transfer, Public Accounts Committee report, March 2003

self-promotion. Someone has to pay for this.

The report by the Council Housing Group of MPs (see back page) broken promises after transfer. If promises are broken, there is little tenants can do, because offer document promises are a contract between the RSL and the council, not with the individual tenant.

Loss of Accountability

As tenants of a local council we elect our landlord. If we don't like the way they run our housing we can vote them out every four years at the ballot

At the time of transfer, tenants are often led to believe that they will have an explicit role in representing the interest of their fellow tenants on the board. This is not compatible with the accepted principle that dictates that as a board member they have to work for the interest of the organisation. (Housing: Improving services through resident involvement, Audit Commission, June 2004)

box. This direct democratic relationship is lost after transfer, PFI or ALMO.

Promises of tenants on the board is a con. The role of tenant board members is “primarily symbolic, providing a fig leaf to cover the unpalatable fact that the real power lies elsewhere.” Cairncross 2004

Tenants on boards are bound by company law and, even if elected, will not be able to represent the tenants who elected them.

Tenant board members who complain are told they have to be ‘good team players’. If they try to speak out, they're kicked off!

Transfer also means less homes for the homeless and for future generations (see below).

THE CASE AGAINST PFI

PFI's record is appalling. It is expensive, risky, and unaccountable. It hands over control to a private consortium to make a profit out of our estates for 30 years. The poor record of schemes (which are extremely complicated and take many years to set up) has led even the government to admit that PFI to improve housing is not a good solution. The Islington PFI has been such a disaster that tenants told a survey – “All stated to us that if they had realised what they would have to go through during the course of work inside their homes, they would never have allowed the contractor to commence work” (Islington Tribune, 25 March 2005).

The extra costs involved, the contracts negotiated behind closed doors and the real danger that schemes can and do go pear-shaped at our expense, mean council tenants will lose out if PFI comes in.

“ Southampton tenants voted 87% in favour of stock retention – it was an overwhelming mandate to keep council housing. I will be putting the case for government to respect our tenants choice and provide direct investment to improve homes and estates. **Clr Paul Russell Cabinet Member for Housing & Homes, Southampton**



Michael Meacher MP, speaking at the February 8 Rally

“ Why do councils always give such a one-sided argument? Why are public funds only used for the pro-transfer campaign? It's in order to stop tenants having a chance to hear the other side of the argument. That is the opposite of democracy. It's not choice – it's blackmail. Stick with your secure tenancies. Demand that all council tenants' rents and right to buy capital receipts are used exclusively on council homes and none of it is siphoned off. And insist on a clear code of practise to guarantee a fair and balanced debate which outlaws the blackmail. **Michael Meacher MP**

Housing for people NOT housing for profit

BUILD MORE COUNCIL HOMES

MANY COUNCIL TENANTS recollect how pleased – and proud – they were to move into their first council home. It was a big step up from renting privately where landlords exploit tenants with high rents, no security and poor repairs.

After the Second World War political parties competed with each other over who would build more council homes. In 1970, councils built 157,026 new homes.

But since the 1980s successive government have shifted money away, to Housing Associations – now commonly known as Registered Social Landlords (RSLs). They have been built up with public subsidies taken from council housing.

Today 1.5 million households are on council housing waiting lists, over 135,000 in temporary accommodation and more face chronic overcrowding. So-called ‘affordable’ housing is out of the reach of most people. This is the overwhelming case for more investment to improve existing and build new council homes.

Less and less new homes that people can afford (as opposed to ‘affordable homes’) are being built. In 1970 local authorities in Great Britain built 157,026 new homes; in 2003 housing associations completed just 17,063.

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.

Huge swathes of northern cities are being demolished and communities blighted, not in the name of renewing housing but of renewing the housing market. A report from Save Britain's Heritage “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).

RSLs shift subsidy to the private sector

RSLs behave increasingly like private companies with chief executives earning £100,000 - £200,000 and business plans driven by the banks. They are selling off rented homes on the open market – 6,000 in 2004/05 and trading in valuable land.

Public subsidy to the private sector has now gone a stage further with subsidy for new homes going directly to profit-making private developers. Public money is poured into shared-ownership and key-worker schemes, many standing empty because we can't afford them.

The latest idea is corporate buy-to-



Campaigning to improve existing council homes – and build new ones. Picture: Andrew Wiard reportphotos.com

let schemes called Real Estate Investment Trusts (REITs). RSLs in Britain are keen to get into these. REITs subsidise private investors through tax-exemption and possibly grants as well.

There is a big push from government to increase home ownership. But it's not the first priority of people in housing need, according to Shelter: 72% prioritise a ‘safe neighbourhood’ and ‘affordability’ before ownership.

“ As a housing minister in a previous Labour government it was I who put through the legislation providing finance for housing associations to new build. But I did it on the basis that housing associations provided a small specialist segment of public housing in support of council housing. Never, never, never was it my intention or the intention of that government that housing associations should be the main or only source of new build public sector housing.” **Gerald Kaufman MP**

John Prescott has a policy to demolish up to 168,000 houses over 15 years...A lot of the homes in these areas are owned and run by Registered Social Landlords, and a lot of them are deliberately blighting these areas, running the houses down and not maintaining them. What you end up with is a nice slice of land perfect for a commercial developer to take on. The Bellways, Gleasons Homes of this world stand to make a fortune. They are being handed on a plate prime development sites that belong to the people.” **Adam Wilkinson, secretary Save Britain's Heritage**

“ I was a council tenant for 39 years. I remember what the Labour Party in Liverpool achieved in the 50s and 60s in the post war housing crisis. As the vice chair of the national policy forum of the Labour Party I also defend that decision in July 2004 to go for the ‘fourth option’. Rackmanism – that's what we're seeing the beginnings of here again, if we don't fight for this Fourth Option. We did it in post war Britain and there's no reason we can't in twenty first century Britain.” **Billy Hayes, general secretary CWU (Communication Workers Union)**

“ Defend Council Housing in our borough has led a campaign which has turned the whole situation around, which has begun to win ballot after ballot despite the £hundreds of thousands thrown by the council into trying to win ballots for transfer. With our little leaflets and activists going door to door organising public meetings the old fashioned way, we have begun to defeat the machine.” **George Galloway MP**

The housing crisis: some facts

Homelessness is on the increase. The number of households accepted as homeless in Great Britain in 1986 was 116,808. In 2003 this figure stood at 172,937. (UK Housing Review 2004/2005) The waiting list for council homes has grown by over 50% in just 8 years. On the 1st April 1997 it was 1,019,475 and on 1st April 2005 had gone up to 1,548,083. **Parliamentary Answer given on 17th October 2005 Column 811W**

Less new homes for rent In 1970 councils built 157,026 new homes and housing associations 8,493. Since housing associations took over most subsidised new-build, the highest number was 38,284 in 1995. There were only 17,063 added in 2003. **UK Housing Review 2004/05**

“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**

“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**

“Affordable housing” is not all affordable, or for rent – it includes shared-ownership schemes, subsidies to help key workers, and

private housing for sale at slightly below market prices. The Mayor of London suggests mortgages based on an income of £47,000 a year meet the criteria!

Stock transfer means more homeless. Where councils have transferred their houses “homeless applicants spend longer in temporary accommodation, have fewer long term housing options and in some cases are unable to access affordable housing at all.” Of 75,000 families looking for homes after transfer 43% were told that there was no home available for them.

‘Out of stock: Stock transfer, Homelessness and Access to Housing’ Shelter, 2001

“Our own investigations into the position of the homeless in stock transfer areas have revealed that many applicants have found it more difficult to access permanent accommodation since the transfer... 20.1% of allocations by large-scale voluntary transfer housing associations are to homeless families. This compares favourably to housing associations not involved in stock transfer (9.4%), but it is less than the 34% by local authorities.” **Housing Today, 29 April 2005**

“An area of ongoing concern to [Glasgow] City Council is the impact that the stock transfer has had on its ability to meet its obligations under the homelessness legislation. The use of bed and breakfast has gone up markedly.” **Stock Transfer in Scotland: Impact and Implications, APSE, Sep 2005**



We had a wonderful ITA appointed in Lincoln...the trouble was he didn't understand ALMO stood for Arms Length Management, he thought it stood for 'a land of milk and 'oney' - 'cos that's what he told the tenants. I led the fight to retain our stock, and despite the underhand tactics of some other Labour councillors which got quite nasty at times, to try and silence me - we won the vote to retain our stock. Lincoln is also now a founder member of ARCH - the Association of Retained Council Housing. We've got over 80 authorities interested in joining us. If you are interested contact me." **Councillor Lynne Gray, Lincoln council lead member for housing**



ALMO: two-stage privatisation

ALMOs (Arms Length Management Organisations) are a two-stage strategy for privatisation. The government really wants to sell-off our homes but they know that in many areas there would be massive opposition from tenants.

They hope that the bribe of extra money and assurances that the private company will be council owned will be enough to get tenants to drop our guard.

But setting up a private company makes it much easier to get privatisation through at a later date. ALMOs get their own corporate branding and put as much distance between themselves and the council as possible.

They claim that services improve by separating strategic functions from housing management. There is no evidence to support this.

ALMOs also claim that tenants will be 'empowered'. But tenants have no more say in ALMOs than they do in housing associations - all the same problems apply. The boards are dominated by senior managers and tenants are outnumbered. Directors who try and speak out are gagged by 'confidentiality' clauses. The relationship between tenants and elected councillors is lost allowing councils to claim that the new company now makes the decisions.

"We have not heard evidence that creating an ALMO per se enhances the achievement of Decent Homes, or indeed tenant satisfaction"... "The

Committee agrees with those stakeholders who argue that Local Authorities hold the potential to manage housing stock just as effectively as RSLs, ALMOs or PFI schemes." (ODPM Select Committee Report on Decent Homes, 7 May 2004)

"Islington have banned officers of tenants and residents associations

from being board members. Councillor, Euan Cameron, explained "We want to open these panels out to the community, not have the same old faces." (Islington Tribune, 22 July 2005)

The big bribe is extra government money. But the ALMO money is public money - it's 'on balance sheet'

in Treasury terminology. The obvious question is: if the government has extra money to improve our homes, why not give it to local authorities direct - which is what tenants want - unless, of course, the real agenda is privatisation?

If you don't want privatisation - don't take the first step!

Demand a formal ballot

If your council wants to set up an ALMO demand that every tenants receives a formal ballot paper - after a proper debate where everyone has heard both sides of the argument.

Councils have to be able to demonstrate evidence of 'tenants support' to the government. But some try and avoid a formal ballot and use questionnaires or telephone surveys instead. Demand your councillors organise a ballot. It's called democracy - don't put up with anything less.

"We believe that the requirement for tenant consultation and approval should be identical regardless of whether a Local Authority intends to go down a PFI, ALMO or stock transfer route." (ODPM Select Committee Report on Decent Homes, 7 May 2004)

Nottingham ALMO a disaster

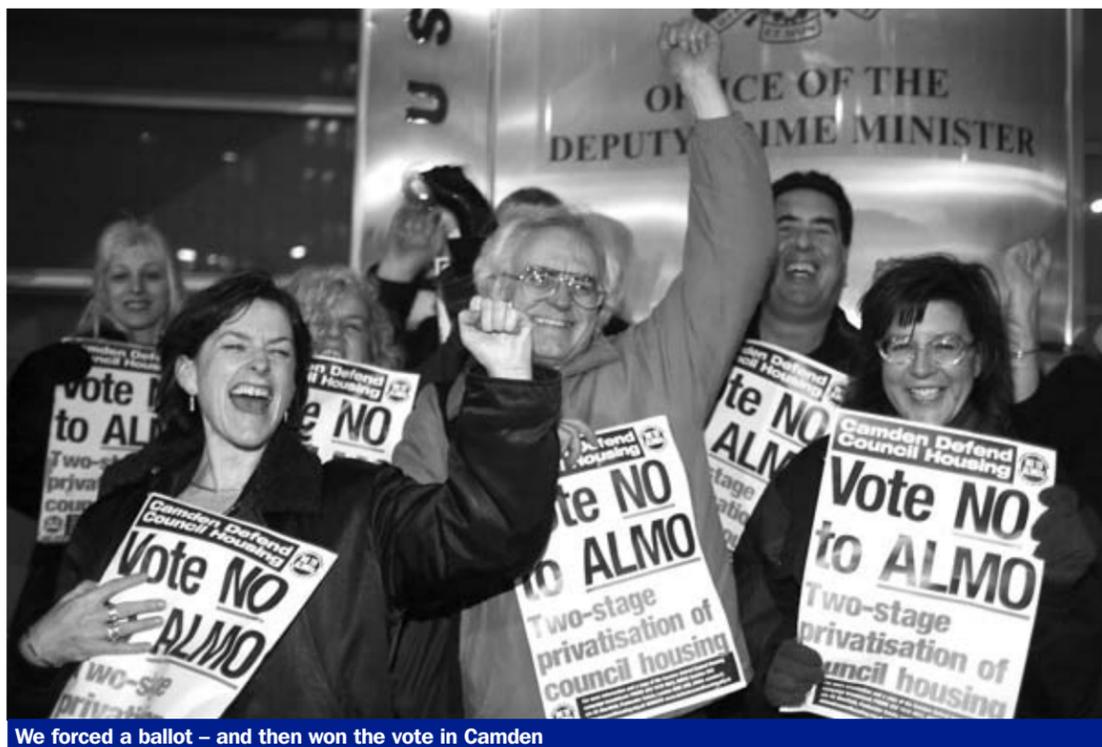
"All the senior management got rocket rises in their pay. It's the one indisputable achievement.

The auditors opened up phone lines for staff working in the ALMO, to provide confidential feedback on issues that were problematic. The lines were blocked.

The extra money hasn't been levered in. Tenants have been told by the housing officers 'the only way you can get it [repairs] done is if its been a criminal offence on your property, we're no longer doing repairs.'

If you talk to all of the other councillors on the local authority, every single one of them now says 'it's got nothing to do with us; we know it's a mess; but its no longer within our remit to do anything about it'."

Alan Simpson MP, speaking at the Future of ALMOs workshop on February 8th



We forced a ballot - and then won the vote in Camden

Picture: Andrew Ward reportphotos.com

Privatisation on the agenda

The National Federation of ALMOs, led by ALMO chief executives, are lobbying government to extend their life and their powers (ALMOs: A New Future for Council Housing, Housemark/ NFA/ CIH, April 2005).

The proposals would mean a long-term contract of 35 years; the government writing off debt for councils with ALMOs; ALMOs

borrowing on the private market like housing associations; and, crucially, the banks (not the council) having the right to step in if problems arise.

According to the Centre for Public Services: "In reality, if these proposals are adopted, the banks/lenders will exercise control over the policy and financial decisions of the ALMO board... If, for instance, the ALMO

had either spent anticipated HRA income for future years or borrowed against that income then the authority would find itself unable to take management of the homes back in house. In this situation it is not hard to envisage that the authority would be telling its tenants that there was no alternative but stock transfer." (The Future of ALMOs Briefing, June 2005)

"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

"It now seems inevitable that the controls any external funder will require in return for providing corporate debt to an ALMO will also mean that the renewal of its management will need to be tendered."

Inside Housing 17 February 06

Demand ALMOs revert back

Many tenants were promised that ALMOs were a pragmatic short-term solution with a five year contract for getting additional investment. We were told that our homes would revert back to the council once the ALMO had done its job. The best defence against the latest proposals is to close the ALMO down once the 'Decent Homes' work has been completed. That shuts the door firmly against two-stage privatisation plans.

"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."

Cllr. Chris Weldon, Cabinet Member for Neighbourhood Regeneration, Sheffield Council

"Haringey's Residents Consultative Forum passed a resolution against the controversial proposals of the National Federation of ALMOs, and called for the banning of any new private business ventures by Homes for Haringey at a meeting at the Civic Centre on 1st February. We will be working with tenants, trade unionists,

Councillors and MPs around the country to make sure that these dangerous plans are stopped."

Paul Burnham, Haringey Defend Council Housing

"When their job is done they should be returned to public ownership. If ALMOs are setting themselves up as new social landlords there's a case for judicial review. Tenants would have a legitimate complaint that they weren't given the full choice when opting for an ALMO."

Cllr. Milan Radulovic, Leader, Broxtowe Council

"I believe councils have got to come together to say we never intended privatisation, the reason why we went for ALMO was a pragmatic view to safeguard our homes from privatisation; to stand up and say we want these ALMOs back in council

control at the end of their term."

John Allott, Amicus national political officer

"Arm's-length management organisations are facing an unprecedented challenge from a group of 50 local authorities that want to see ALMOs' functions brought back in house. The founders of the Association of Retained Council Housing outlined their ambition to return ALMOs' stock to their parent councils at the organisation's inaugural meeting on Monday."

Inside Housing, 21 October 05

"It's likely that the government is tied up in its own knots... giving ALMOs the freedom to operate outside the housing revenue account could lead to legitimate calls for councils to receive the same treatment."

Inside Housing, 27 January 06

European ruling fuels privatisation fears

A recent European Court of Justice ruling ('Parking Brixen') could mean councils setting up ALMOs without inviting private firms to tender would be acting illegally.

Simon Randall, of law firm Lawrence Graham, says the ruling has the potential to 'torpedo' the whole ALMO programme. He warned: "Those ALMOs that have gone live recently might be challengeable."

"Housing consultant Anne Lucas said the ruling would "pretty much rule out the ALMO option" for any authority that had not yet put its housing management out to tender. "Tenants are suspicious enough already that ALMOs are the back door to privatisation," she said. "This would only fuel that suspicion."

(Inside Housing, 10 February 06)

"The implication of the ruling could be that ...any private company anywhere in Europe could bid for it alongside an ALMO. Anthony Collins solicitors

said it would also affect ALMOs who are trying to widen their functions beyond managing the council's housing stock'. **(Inside Housing, 17 February 06).**

New ALMO funding in question

The government has delayed announcing funding for another round of ALMOs. Councils who 'consulted' tenants on the basis of promising extra investment are now in trouble.

"Gwyneth Taylor, policy officer for the National Federation of ALMOs, said the situation was far from ideal. 'in effect they are having to make a decision to spend resources on setting up an ALMO with no absolute guarantee that the ALMO will be accepted on the programme.'"

(Inside Housing 10 February 06).

"Johanna Holmes, a director of Tribal HCH, said there were concerns over the legality of the ... applications 'on the basis of tenant consultation which presumed the money was available'. 'It is not beyond the realms of possibility that it leaves the ODPM open to challenge.'"

(Inside Housing 24 February 06).



We have to fight locally wherever councils try to stuff stock transfer, PFI or ALMOs down our throats. We can win the arguments on the estates. We also have to step up the pressure on MPs and Ministers. It's the unity between tenants, trade unions, councillors and MPs that makes this campaign a force to be reckoned with. No one can pretend the government is not listening – they're listening. So let's make sure we're very clear and very loud." **Alan Walter, Camden tenant and chair Defend Council Housing**

Effective campaigning can win

STANDING UP TO THE COUNCIL can seem a bit daunting at first but don't be put off. There's lots of experience and people who can help you organise a campaign in your area.

Once you get out on the estates you will find that most tenants are instinctively wary of council glossy PR campaigns and know that privatisation has been a disaster in other public services.

The key is to produce good local material that takes up the general arguments and counters the council's case for privatisation. Contact DCH and check examples of local leaflets on the campaign website. Ask the council trade unions and sympathetic councillors for help challenging the council's arguments (councils often hide or distort important financial information to support their claim there

is no alternative).

Make the campaign as broad as possible – involve tenants, unions, councillors and other organisations in your area. And make sure that you look like you are serious about winning. If other tenants think you are just protesting you won't be taken seriously.

Getting out on the estates and going door to door is essential but there are lots of additional ways to get your message across. Hold public meetings in local halls and invite national as well as local speakers. Leafleting parents outside primary schools is a good way to talk to tenants and find volunteers to help on their estates. Cover churches, mosques, bingo halls and community centres too.



Ask unions in local hospitals, schools, factories and offices to distribute leaflets to their members and put up posters on union noticeboards. Send letters to the local papers and ask them to cover the story. And in the run up to the ballot use car loudspeakers and tour estates to get your message across.



Some of the many leaflets and newspapers from the campaigns

What to do if your council is proposing transfer, PFI or ALMO

● **DON'T WAIT. The earlier you start campaigning the better.** And don't trust any ballot timetable the council may publicise - they regularly start ballots early so that tenants vote before getting material putting the arguments against.

● **Build a broad-based campaign.** The most effective local campaigns are led by tenants, and supported by trade unions, local councillors and MPs. Involve everyone who agrees we need more investment in council housing and is prepared to oppose privatisation.

● **Contact your tenants federation or forum, and individual tenants associations in the area and ask them to back the campaign.** Some will, others won't because they are scared of losing council funding or have been incorporated too far into the stock options process. Argue strongly that even if they won't oppose privatisation they should, at least, help distribute material to ensure that tenants hear both sides of the debate. Don't give up if some 'tenants reps' aren't responsive – tenants on the estates will be.

● **Organise a local DCH meeting to plan the campaign.** Involve tenants,

The council will spend hundreds of thousands of pounds on a confident glossy PR campaign telling tenants there's no alternative. They want to make it seem like it's a 'done deal'. But as campaigns around the country have showed we can organise effective campaigns on a shoe string. Tenants aren't stupid – they just need to hear about the alternatives and most people's instincts are against privatisation and they are very wary of expensive one-sided council PR campaigns.

trade unionists and, where possible councillors and MPs too. Make a Freedom of Information Act request NOW for all the addresses (not tenant's names) of council homes in the area so you can plan distribution of material effectively.

● **Question the council's financial analysis.** Councils frequently mislead tenants by painting a very black and white picture: transfer, PFI or ALMO or 'you won't get any improvements'. Often they create a higher local 'Gold' standard – and then say the council can't afford it. Read the council's 'options appraisal' report, 'business plan' and minutes of meetings. Find out what improvements the council can do and whether the extra work is worth the risks involved.

● **Approach local unions for financial support.** Many unions have special regional and national funds that local branches can apply to.

Contact local branches of Amicus, CWU, GMB, PCS, RMT, T&G, UCATT and UNISON (who all support the campaign) and the local Trades Council. Ask for funding and help with design and printing, organising meetings, loudspeakers, etc.

● **Lobby your councillors and MP.** Councils try and create the impression that the outcome is a 'done deal' but don't be intimidated. Many councillors will have voted without fully understanding the issues or questioning the advice of senior council officers (who usually stand to gain from the proposal). Some will be open to persuasion. 'Thank you for sending me a copy regarding the Fourth Option. I dearly wish it was in my possession some months ago.'

North Somerset Councillor
● **Order more copies of this newspaper to get the arguments across to tenants.** DCH can also

help with writing local leaflets (see examples on the campaign website) and by providing speakers for meetings and debates..

● **Get the arguments out to tenants.** Produce a good local leaflet and newspapers to distribute to every home. Leaflet every home but also have stalls at markets and high streets and give out material at churches, mosques and to parents outside primary schools

● **High visibility is important.** Get posters up on every estate and street, and borrow a car loudspeaker to tour estates. Send letters to the local press, organise lobbies or stunts to get publicity and ask trade unions to sponsor adverts in the press to put the arguments across.

● **Demand a ballot.** Some councils try and set up ALMOs or PFI schemes without holding a formal ballot of all tenants - if you don't challenge them they will try to submit lesser evidence of consulting tenants to avoid a proper vote. Demand a full debate and a formal ballot of all tenants. Tenants in Camden, Lambeth, Nottingham, Sutton and elsewhere have all won this basic right. It's called democracy.

Don't let councils bully workers

Councils often try and bully council workers into helping them bully tenants to accept privatisation. They talk about the need for 'team working' – but don't mention that senior managers personally stand to get big pay rises if privatisation goes ahead. Sometimes they threaten job losses if tenants vote No but they are regularly caught out massaging the figures to paint a bleak picture.

Most RSL landlords are either not unionised or have worse union organisation. There is a much bigger turnover of employees and constant mergers and takeovers give the employer the upper hand.

Get tenants to leaflet housing workers to propose a joint campaign. Organise union meetings at work and invite tenants, union officials, sympathetic councillors and MPs opposed to privatisation to come in to speak.

All the trade unions oppose privatisation of council housing. Contact yours and ask them to help you defend council housing as a public service.

Unions support campaign

The TUC and most national trade unions now support the campaign. They are fighting to defend the interests of their members who work in local authorities and the millions of trade union members who are council tenants or who need more decent, affordable, secure and accountable council housing. Contact any of the following for help with organising a campaign in your area: Amicus, CWU, GMB, PCS, RMT, T&G, UCATT and UNISON.

Get your organisation to affiliate to DCH

Annual affiliation fees:
 Tenants/Community Organisations
 Local £10 Regional £25 National £50
 Trade Union Organisations
 Local £40 Regional £100 National £250

Order campaign material

Bulk order copies of this newspaper: £18 per 100 / £100 per 1000 further reductions on bigger orders possible
 Annual subscription to DCH Mailings & Briefings £15
 DCH Badges @30p each / £10 for 50;
 DCH Stickers £1 sheet £5 for 8 sheets;
 DCH A3 Posters £15 per 100

Name.....
 Address

Tel

Email

Send to Defend Council Housing, PO Box 33519, London E2 9WW

“I served as a backbencher under that [1945] government and one of its greatest achievements was the house building programme....What council housing did was to transfer power from the market place, where you had to have money, to the polling station, where you had to have a vote. What this government is doing is transferring power from the polling station to the market place. It is destroying local democracy. **Tony Benn**”



Put 'Fourth Option' on local elections agenda

On May 4th local elections are taking place across England. Help make sure that the future of council housing is right at the top of the political agenda and that candidates from all parties are asked to publicly declare whether they support the 'Fourth Option' for council housing – and what they will do to help us win?

WHAT YOU CAN DO

- Send a copy of the 10 questions and pledge to every candidate in your area;
- Inform the local papers, radio and TV and ask them to contact all the candidates and report on their responses;
- Write a letter to the local paper and raise the questions on radio phone-ins;
- Distribute the questions at any public meetings/hustings where candidates are speaking and make sure the questions are raised;
- Hand out the questions to passers by when candidates go 'walkabout' on estates or in shopping areas;
- Let DCH know what response you get so we can publish returns on the website.

Ask all candidates whether they agree:

1 Decent, affordable, secure and accountable council housing is an important public service?

2 Existing council homes and estates should be improved?

3 Since council housing is cheaper to build, manage and maintain than the alternatives, new council homes should be built to help meet growing housing need?

4 All the income from tenants rents and capital receipts from 'right to buy' and sale of other housing assets should be re-invested to improve existing and build new council homes?

5 The ODPM Select Committee was right to conclude that the government is being 'dogmatic' in forcing councils to stock transfer, PFI or ALMO their homes?

6 Company law and confidentiality clauses mean that tenants who become directors are prevented from acting as effective 'representatives' and the process doesn't empower tenants as a whole?

7 Registered Social Landlords are unaccountable to their tenants and elected local councillors and many authorities now have trouble discharging their responsibilities to the homeless?

8 Mergers and takeovers amongst Registered Social Landlords are leading to multi million pound national companies that will make them even more remote and unaccountable?

9 Councils consulting tenants should be required to conduct a 'fair and balanced' debate so that tenants hear all the arguments – and have a formal ballot – before stock transfer, PFI or ALMOs take place?

10 The Office of the Deputy Prime Minister (ODPM) should adopt the Code of Practice produced by the House of Commons Council Housing group and, in the meantime, any local authorities conducting 'consultations' should voluntarily sign up to the code of practice?



Picture: Simon Clark

2005 LABOUR PARTY CONFERENCE
 "Conference re-affirms its commitment to a 'level playing field' ensuring that funds available for stock transfer will be equally available to Councils to give tenants real choice and provide a long term future for council housing and calls on government to provide the 'fourth option' of direct investment to council housing as a matter of urgency."

Candidates' pledge

I / we pledge our support for the 'Fourth Option' of direct investment in council housing to give tenants real choice and an alternative to privatisation.

I/we promise to issue a public statement before the election and to work with Defend Council Housing, the House of Commons Council Housing group of MPs and the trade unions to lobby government in support of the 'Fourth Option'.

I/we support Composite 8, passed almost unanimously at the 2005 Labour Party conference, that "calls on government to provide the 'Fourth Option' of direct investment to council housing as a matter of urgency."

Name Party..... Council

Name Party..... Council

Name Party..... Council

Send to: Defend Council Housing, PO Box 33519, London E2 9WW

House of Commons Council Housing group



Austin Mitchell MP chairs the Council Housing group in Parliament. It meets regularly to support the campaign inside and outside Parliament.

Last year it held an inquiry and produced a 48 page report on "Support for the 'Fourth Option' for council housing". The group took evidence from tenants, councillors, trade unions and academics. The report catalogues the bullying of tenants and abuses of democracy, highlights the negative experience of privatisation and puts the case for the 'Fourth Option'.

Copies are available (£10 – free to individual tenants) from Austin Mitchell MP, House of Commons, London SW1A 0AA or download from www.support4councilhousing.org.uk.



Report sets out democratic framework

Amongst its recommendations: Produce guidelines for local authorities and a clear code of practice that insists on a fair and balanced debate so that tenants hear both sides of the argument including: a. The right of tenants to choose between all of the options and for these options to be

factually presented (not 'more investment' v 'stay as you are'); b. Any proposal/process to change from one option to another should be tenant led; c. Public access to all the relevant information (financial

information, stock conditions reports, address lists of all those entitled to vote); d. Equal access to meeting halls and other facilities to allow the fullest possible debate; e. Tenants are given one clear month's advance notice of when the ballot will start and finish and this timescale will be strictly adhered to; f. Tenants receive material putting both sides of the debate and a commitment that council staff will not be instructed to selectively take down material on estates opposing the proposal; g. A financial limit on the overall cost of consultation to ensure the maximum resources are spent on improving tenants' homes.

● Ask your MP to support EDM 48 'Future of Council Housing', join the House of Commons Council Housing group and help persuade Ministers to agree the 'Fourth Option'.

MPs angry about councils' bullying, blackmail and threats

Some council tactics are getting dirtier as they get more desperate. Tenants and trade unionists are blackmailed and bullied, with threats that repairs won't be done and jobs will be cut if we don't support privatisation.

In Sefton (Merseyside) union activists were suspended for taking part in a protest against stock transfer. Tenants voted NO to transfer, but the council sacked one UNISON member and made legal threats against tenants, and then re-ran the ballot getting a Yes vote on a smaller turnout.

In Tower Hamlets, east London, where tenants voted NO to transfer in five out of seven estate ballots in December, DCH campaigner Eileen Short has been

made redundant in what unions describe as blatant victimisation.

These are desperate attempts to stop tenants hearing both sides of the argument. UNISON general secretary Dave Prentis is backing industrial and other union action to defend members. And 54 MPs have signed a parliamentary statement condemning 'the blatant attempt to victimise leading members of Defend Council Housing currently being made by councils in a crude attempt to discourage opposition to the privatisation of council housing' (EDM 797).

Demand a fair and balanced debate and build strong campaigns locally to stamp out the dirty tricks.