

Defend Council Housing



September 2008 35p

INVEST IN FIRST CLASS COUNCIL HOUSING

● Stop privatisation ● Improve existing ● Start building new

There's massive opposition from 2.5 million council tenants to privatisation of our homes. 1.7 million households on council housing waiting lists, private rents soaring and 'home owners' struggling to pay mortgages, and a generation of young people who can't move, all reinforces the argument for direct investment in council housing.

Tenants, trade unionists, councillors, MPs, housing professionals and academics are adding real muscle to demands for government action to modernise all existing homes and estates, start building a new generation of first class council housing and agree a financial settlement guaranteeing a sustainable future for council housing.

Government is squeezed between our determined campaign and the failure of the private housing market. It is holding a 'Review of Council Housing Finance' based on the commitment "to ensure that we have a sustainable, long term system for financing council housing" and "consider evidence about the need to spend on management, maintenance and repairs".

Housing Minister Caroline Flint has conceded that councils can access Social Housing Grant to build new council homes (with 'secure' tenancies) and restated the promise to ensure all councils meet the 'Decent Homes' manifesto commitment.

But we need to see the colour of their money. Ministers have made noises about settling the long running dispute over the 'Fourth Option' before. There's still no commitment to gap funding to modernise homes direct in authorities with insufficient resources. The 'subsidy determination' setting allowances this December will be an important test of whether Ministers are sincere.

We need a clear commitment now



Opposing privatisation and demanding direct investment in council housing

that the 'robbery' from tenants rents will stop and that government will provide a 'level playing field' on debt write-off and gap funding. Then we can discuss how resources are allocated. And, until the funding review is concluded and fully evaluated, there should be a total moratorium on new 'stock option appraisals', privatisation ballots and asset stripping homes and land.

GOVERNMENT SHOULD FUND ALLOWANCES TO LOCAL AUTHORITIES

Supporters of council housing will be worried by the drive to get councils to set up new Local Housing Company public/private partnerships and calls for breaking up the national Housing Revenue Account.

Public/private partnerships routinely fail to deliver and the majority of homes they build will be for sale (full or shared ownership) with the minority for rent not 'council housing'. Instead, authorities should use their own land and Social Housing Grant to build first class council homes with 'secure'

tenancies, lower rents and a directly elected and accountable landlord.

The Local Government Association and other organisations have endorsed key demands of our campaign, arguing that allowances for council housing are "inadequate" and "insufficient"; "tenants should not be forced to pay a 'tax' to government"; and "council housing resources should be ring-fenced for council housing expenditure". But their proposal to break up the national system for financing council housing, with authorities retaining rents and receipts locally, poses big risks for tenants. Losing the national unity of the council housing sector could leave tenants more exposed to privatisation, and a real risk their business 'plans' collapse and our homes be sold off.

Far better to stop government robbing money out of council housing and get them to fund allowances to local authorities 'at level of need'. Then all authorities can modernise our homes and then manage, maintain, and keep them repaired as 'first class' council housing for existing tenants and future generations.

Case for council housing stronger than ever



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

The private market's failure to provide homes for working people reinforces the case for massive government investment in council housing.

Ministers and others talk about 'social' and 'affordable' housing to disguise the differences between first class council housing and Housing Associations (Registered Social Landlords).

Council housing has distinct qualities: 'secure' not 'assured' tenancies mean evictions are harder, rents and other charges are lower and it is easier to hold an elected landlord to account. RSLs are increasingly multi million pound regional and national businesses – and mergers and takeovers make them even less accountable and more remote.

Government is obsessed with promoting home ownership. They deliberately stigmatise council housing as housing of 'last resort' and threaten to penalise tenants who don't have jobs. They treat council tenants like second class citizens – they wouldn't dare blackmail home owners in the leafy suburbs like this! New research by the Department for Work and Pensions undermines Housing Minister Caroline Flint's argument for 'commitment contracts'. "Report blows Flint's work-to-live ideas out of the water... [it] says that social housing and a secure tenancy provide a massive incentive for tenants to find work." (*Inside Housing*, 29 August 2008).

Ministers talk up 'mixed tenure' as the way to ensure 'sustainable communities'. In practice the argument is used **continued on back page >**

Tenants, trade unionists, councillors and MPs demand:

'FOURTH OPTION' for COUNCIL HOUSING

DCH National Conference

INVEST IN FIRST CLASS COUNCIL HOUSING

● Stop privatisation ● Improve existing ● Start building new

Tuesday 25 November, Central London (see page 3)
National speakers and workshops to debate 'Review of Council Housing Finance' and plan next stage of campaign

Winchester Tenants view with concern the possibility that tenants paying negative subsidy, and those receiving subsidy could be led into a divide and rule situation by councils and central Government. This must not be allowed to happen. Our strength comes from being united this is why we have come as far as we have. We are keeping up the pressure in Winchester, as we can see cracks appearing. So we are keeping the council on its toes. We have come this far and do not intend to give up now."

Alan Rickman Chair of TACT Evening Group



It is time that government settled up on the 'Fourth Option' to fund improvements, a sustainable future for 2.5 million existing council tenants and to enable councils to build a new generation of first class council homes to provide secure homes with low rents which the private housing market is incapable of doing." **Billy Hayes, general secretary CWU (communication workers)**

"Tenants have fought hard to stop government robbing our rents. We aren't going to sit back and let councils opt out of the national HRA so they can rob our rents locally instead! We need full accountability and transparency over every penny that belongs to council housing – and all of it must be put back into improving council housing."

Eileen Short, Tower Hamlets Tenants Against Transfer

"I am proud of the fact that tenants in my local authority area chose, despite every inducement possible, overwhelmingly to reject the idea of selling off the council's stock... It is only right that we listen to such tenants." **David Drew MP**

"The government's recent pronouncements have offered a tantalising glimpse of a renaissance for council housing... eco-friendly homes built and maintained by local authorities to high standards – with people on low incomes and the more affluent living side by side – could, once again, become the option of choice rather than a last resort." **John Bibby, director of housing and community services, Lincoln City Council**

Demand fair, balanced debate and full democratic rights

Many councils try and fix the outcome of stock transfer ballots by spending a fortune on one-sided propaganda; changing the date or calling ballots at short notice, taking down material opposing their proposals; refusing opponents access to addresses of all those entitled to vote, etc.

In the debate on the Housing and Regeneration Bill junior Housing Minister Iain Wright accepted a democratic deficit existed and promised MPs that the government would introduce a code of practice to rectify these problems.

Help make sure that council tenants aren't treated like second class citizens on standards of democratic debate and process. Insist that the detailed recommendations for a Code of Practice in the House of Commons Council Housing Group's "Support for the 'Fourth Option' for council housing" report are adopted by government when they produce their code for consultation.

IT'S WORTH IT – MORE THAN EVER

Tenants in 200 areas are sticking with council housing. We have the most security and legal rights, the lowest rents, the most accountability over our landlord and the most direct influence through the ballot box,

Despite decades of Government robbing our rents, starving us of repair and improvement funding, as blackmail to drive us to privatisation, with the private housing market in melt down and housing associations going broke, we know council housing is worth hanging on to more than ever.

STOP THE BULLYING AND BLACKMAIL

Government has been using the lack of investment in council housing to blackmail and bully tenants to accept privatisation.

Now Ministers accept that funding has to change and are conducting their Review of Council Housing Finance

"to ensure that we have a sustainable, long term system for financing council housing" (see p 4 & 5). But at the same time they are pushing councils to do another round of privatisation, beginning with new 'Stock Option appraisals'. This doesn't make sense! How can a council cost up the alternatives and go through a charade of asking tenants to choose until we know the outcome of the review?

DEMAND MORATORIUM NOW

If your council is considering or conducting a Stock Options Appraisal (or worse still proposing to ballot tenants on stock transfer or selling homes and land) demand a moratorium – that they put their plans on hold – until the review reports and has been fully evaluated.

ENSURE STOCK OPTIONS DEBATE FAIR AND BALANCED

Councils employ expensive consultants to write reports assessing the in-

vestment needed to bring all homes up to standard (a lot) – and setting this against predicted income (not enough). Then they may use these figures to try to drive through privatisation options – claiming this is the only way to get improvements or fund future repairs.

CHECK WHAT YOUR COUNCIL IS DOING – AND CHALLENGE THEM:

- Democracy – is the options group representative, or hand-picked and exclusive? Are resources available for both sides to put their case to all tenants so that there's a fair and balanced debate, followed by a ballot?
- Challenge the financial case. What assumptions are made about income (allowances) and expenditure? Are they taking into account commitments from Ministers to make council housing sustainable? Check for figures inflated up or down to suit their argument.



It's 'Moonlight Robbery': lobbying parliament to stop siphoning money from council tenants

THE CASE AGAINST TRANSFER

TRANSFER MEANS PRIVATISATION

Housing associations ('Registered Social Landlords') are private companies in law. Talk of 'not for profit', community-based ownership or co-operatives is nothing more than window dressing to disguise these basic facts.

The Housing Association sector is increasingly run on commercial principles and is driven by mergers and takeovers. "England's largest housing association has held talks with the Housing Corporation about floating the company on the stock market..." (*Inside Housing*, 5 January 2007) and some lobbied hard while the Housing and Regeneration Bill went through Parliament to be able to change into profit-making companies.

LOSS OF SECURE TENANCY

Council tenants' secure tenancies are lost after transfer. Housing associations promise that extra rights written into

the tenancy agreement will give equal security with the rights we have as council tenants. These promises don't have the same force in law as statutory rights; and importantly, new tenants won't get these extra promises.

MORE EXPENSIVE

Privatisation is very expensive. Housing Associations have higher management costs and pay fat-cat salaries (some over £200,000). The Public Accounts Committee of MPs found that it costs £1,300 per home more to improve after transfer than it would have cost under local authority control.

HIGHER RENTS AND CHARGES

Housing Association rents and charges are much higher than council rents. Our council 'secure' tenancies guarantee us the legal right to a 'reasonable' rent. Housing associations are allowed by law to charge a market rent and

their trade body is lobbying government to be allowed to increase their rents faster ('Building Neighbourhoods', National Housing Federation, September 2007).

Government has been trying to 'converge' council and Housing Association rents but their plans are now in disarray. Ministers have recently been forced to put back rent convergence from 2012 to 2017 in order to maintain "rent affordability for tenants" (*Letter from DCLG to councils*, 23 November 2007).

LESS ACCOUNTABILITY

Individual tenants and tenants associations can lobby our local ward councillors and, if we don't like the way they run our homes, vote them out. This direct democratic relationship is lost if we are privatised. Housing associations are run by a board of directors who are legally accountable to the company. Having tenant Board Members is a

- Check the facts for empty promises. Privatisation puts tenants at risk, often means homes for sale being built on our kids playgrounds or other open spaces.
- We pay enough rent to manage and maintain our homes (see pages 4/5) – Councils need to back our fight for direct investment.
- Don't let the council muddle up the financial and the political arguments and present their views as 'facts' whilst alternative views are 'propaganda' and 'lies'.
- So-called 'Independent Tenants Advisors' or 'Friends' are rarely independent or 'tenants'. Most make their living by 'helping' councils organise stock transfer.

EXAMINE COUNCIL'S FINANCIAL CASE

Examine council's financial case critically and consider how the council could make a case for the 'Fourth Option' locally, to feed into national picture – ask them to join with other councils and tenants to press the government for change.

KEY QUESTIONS

- Do plans reflect tenants' priorities (government and council priorities are not necessarily the same as ours)?
- What can council do using available resources?
- Are all available receipts (money from sale of council homes, other buildings or land) spent on council housing?
- Are services (waste and cleansing, highways, community safety, social services etc) being charged to the Housing Revenue Account which shouldn't be? "Tenants feel that they are paying twice for some services, through council tax and through their rents.... some stock transfers would have been unviable if [these] extra costs had been included." ('Narrative 5: HRA Rules', from the government's Review of Council Housing Finance, June 2008).
- Is your rent also being siphoned off by government from your council; and how much will government pay to write off housing debt to subsidise stock transfer?

● See DCH website for more on 'stock options'.

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

RISK

Housing Associations are huge, impersonal businesses increasingly diversifying into non-social housing activities. Private landlords want to get their hands on the land our estates are built on. Transfer is a one-way ticket. One fifth of transfer associations get into difficulty (*Society Guardian*, 25 May, 2005). If things go wrong, there is no return.

● See DCH website for more on the case against stock transfer.

“ If Ministers are sincere about the review providing a ‘sustainable future’ for council housing they have to provide gap funding for those authorities that can’t meet ‘Decent Homes’ up front, increase allowances, and announce an immediate moratorium on sales and privatisation. That would be convincing...” **Alan Walter, chair Defend Council Housing**



LABOUR CONFERENCE: REAFFIRM ‘FOURTH OPTION’

Three years running Labour Labour Party conferences have voted to support the demand for the ‘Fourth Option’. Government only avoided a fourth embarrassing vote last year by promising to work with delegates to come up with an acceptable formula to bring back to the conference in September 2008.

A housing sub group has been discussing the issues but Gravesham Constituency Labour Party (mover of Composite 6 in 2007) and Holborn & St Pancras Labour Party (seconded) have refused to support the group’s report and intend to ask Labour’s conference to uphold existing conference policy (see below).

More than 30 local Labour Parties plus the major trade unions submitted amendments to Labour’s ‘Partnership in Power’ policy consultation. This resulted in agreement that councils can access Social Housing Grant to build new council housing at the Warwick National Policy Forum in late July.

Housing Minister Caroline Flint promised “Access to these funds will allow good councils to build new council homes to allocate to tenants on the basis of the same system of affordable rents and secure tenancies which apply to existing council homes.” (Letter from Caroline Flint, 26 July 2008). Ministers had previously rejected a DCH sponsored amendment to the Housing & Regeneration Bill proposing this principle.

Negotiations over extra resources for councils unable to meet the government’s own ‘Decent Homes’ target stalled. Flint acknowledged “We all agree that tenants in authorities which have decided not to transfer their housing stock or set up an ALMO deserve Decent Homes too. The Party and conference have been clear about this and we have listened.”

Whilst it is positive that Ministers have now been forced to drop attempts to walk away from meeting their man-



Labour conference 2006 delegates back ‘fourth option’

EXISTING LABOUR POLICY

“Conference reminds government of the clear 2005 manifesto commitment ‘By 2010 we will ensure that all social tenants benefit from a decent, warm home with modern facilities’.

A Labour government cannot leave council tenants who have rejected privatisation without improvements.

Conference believes that decent, affordable, secure and accountable council housing can make an important contribution to tackling growing housing need and that there is strong support amongst council tenants, elected councillors, trade unions and MPs for direct investment to improve existing council homes and estates as well as enabling local authorities to build new council homes.

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.”

Extract from Composite 10 passed at the 2006 Labour Party conference

ifesto commitment, the wording is deliberately ambiguous. They must provide the additional resources necessary to respect the choice of tenants who have voted to stay with the council.

The promise to “continue to work with these councils to put in place the necessary strategies to achieve the Decent Homes standard” (Letter from Caroline Flint, 26 July 2008) also covers encouraging councils with insufficient resources to sell existing council homes and council land as Camden, Gravesham, Brighton, Birmingham and others are persuading. This isn’t a sensible or acceptable solution!

Constituency delegates and trade union delegations at Labour’s conference in Manchester will need to stand their ground to uphold the decisions of three previous conferences.

Make sure Labour Party members and trade unionists lobby delegates to Labour’s conference and urge them to uphold the clear policy three consecutive conferences have supported.

“ [we welcome] giving Social Housing Grant to councils directly to build new council homes with secure

tenancies. This is a significant movement on housing policy generally. However there is an explicit refusal to give sufficient resources for those areas which have rejected privatisation; and no mention at all of the need to keep secure tenancies secure. There is

no mention of the principles of ring-fencing and a level playing field on debt write-off and gap funding: the outcome of these issues are to be

dependent on the housing finance review, the next Comprehensive Spending Review... In summary, it is clear that this report goes nowhere near meeting the policy agreed by conference motions. In our view we cannot agree to a policy that doesn’t meet the short, medium or long term needs of council tenants.” **Sue Howes, delegate Gravesham Constituency Labour Party**

“Holborn & St Pancras Constituency Labour party is unable to support the report from the Labour Housing sub group because it doesn’t reflect the policy passed at three consecutive Labour Party conferences to respect tenants’ choice and provide the ‘Fourth Option’ for council housing. The report fails to commit to providing additional resources to help councils like ours

which are unable to modernise all homes and meet the government’s own Decent Homes standard using existing resources. We don’t want to see estates privatised or council homes or land sold off! **Raj Chada, chair Holborn & St Pancras Constituency Labour Party**

SEND DELEGATES TO DEFEND COUNCIL HOUSING CONFERENCE: INVEST IN FIRST CLASS COUNCIL HOUSING

TUESDAY 25th NOVEMBER 2008, CENTRAL LONDON



- Opposing privatisation and attempts to means test and stigmatise council housing as housing of last resort
- Winning the ‘Fourth Option’ to secure first class council housing with secure tenancies, low rents and an accountable landlord as a tenure of choice

Defend Council Housing is holding a national conference in Central London on Tuesday 25 November.

It’s a chance for tenants, trade unionists, councillors and other supporters of council housing to get up to date with developments in the ‘Review of Council Housing Finance’ and the issues different proposals raise for councils and tenants. Local authorities always say they want tenants to be well informed – ask yours to sponsor a delegation to attend this conference and report back. If they refuse contact local trade unions for help getting down.

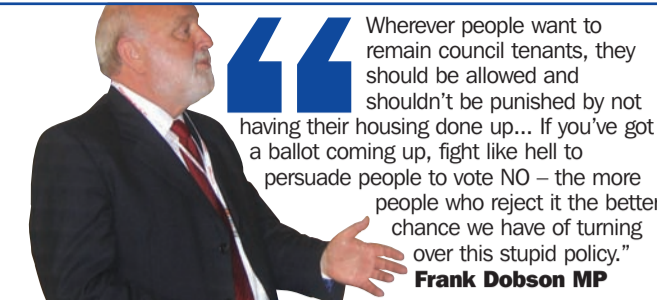
Delegates fees: individual tenants £5; tenants organisations, trade unions, councillors and others £25.

DCH National Conference, University of London Union (ULU), Malet Street, London WC1E 7HY. Registration 10.00am. Conference 10.30am – 4.30pm

- Plenary speakers to include tenants, leading trade unionists, councillors and MPs (cross party)
- Presentation and Q&A on ‘Review of Council Housing Finance’ by Steve Hilditch (working for CIH to facilitate the expert and practitioner workshops advising the review of council housing finance) and Steve Partridge (Finance Director of Housing Quality Network)
- Workshops covering ‘Stock Options and Stock Transfer; ‘Housing Finance – how it works’, ‘What tenants want from Review of Housing Finance’; ‘Post transfer experience’; ‘ALMOs: avoiding ‘two-stage’ privatisation’; ‘Tenants Movement and tenants representation’; ‘Organising effective local campaigns’.



“Tenants and trade unionists have fought hard to win real improvements for millions who need a council home. Councils are once again centre stage and councils are at last starting to build new homes. But many, many more are needed, as is a level playing field. The economic crisis that has hit the housing market hard now demands urgent action by the government. The role of councils will be key. From building new homes through preventing repossessions to buying up empty homes, councils can deliver where the market has failed.”
Jack Dromey, Deputy General Secretary, UNITE



“Wherever people want to remain council tenants, they should be allowed and shouldn't be punished by not having their housing done up... If you've got a ballot coming up, fight like hell to persuade people to vote NO – the more people who reject it the better chance we have of turning over this stupid policy.”
Frank Dobson MP

“Government needs an urgent rethink on traditional labour party policies and central to that should be the provision of decent, affordable, secure and democratically controlled public housing. No more smoke and mirrors on this issue, the answer is simple: direct investment.”
Alan Ritchie, general secretary UCATT

“Tenants do not actually own the assets, so why should our current rents be paying for historic debt? The government could drop the debt, and increase management and maintenance allowances suggested by its own research that they are currently £1,300 million too low.”
John Marais, tenant rep, Cambridge Housing Management Board

“There are as many people on council waiting lists as there ever was under the Thatcher Government. Building, improving and buying in houses to be owned, maintained and managed by democratic local councils is now the most urgent, but missing component of a sensible housing policy.”
Ken Purchase MP

“The additional £7.4 million that Sutton would gain from these proposals [fully funded allowances] would go a long way towards both achieving and sustaining our homes to a decent standard. We will also know that the proposals would fairly meet the need for all other council tenants.”
Jean Crossby, Chair of Sutton Federation of TRAs



“Many of our members are struggling just to make ends meet. Housing is a major issue and access to affordable, well-maintained council housing is more essential than ever. PCS supports the call for the ‘Fourth Option’ to allow councils to invest in first class housing for years to come.”
Mark Serwotka, general secretary PCS (civil servants union) pictured above

“Tenants’ campaigns against privatisation have put council housing at the top of the political agenda. With the current crisis the solution is to give councils fair and equitable funding to allow them to build the homes with ‘secure’ tenancies we so desperately need.”
Patricia Rowe, tenant Taunton Deane

“GMB wants to see a significant programme of new council house building and direct investment to make sure all council homes are excellent family environments. It's time for government to act.”
Brian Strutton, national secretary GMB

WHAT WE'RE DEMANDING:

- Stop the robbery: ring-fence all the income from tenants rents and housing capital receipts
- Fully fund allowances for management, maintenance and repair of council housing at “level of need”
- Introduce a more transparent allocations system that recognises needs of different types of authorities and different housing stock
- Allow authorities to plan ahead by guaranteeing funding formula
- Provide level playing field on debt write off and gap funding for councils retaining their homes by taking over historic debt and giving additional resources to authorities unable to meet ‘Decent Homes’ as a minimum standard
- Announce an immediate moratorium on stock options appraisals, sale of council homes and land and further stock transfers until the outcome of the review is announced and fully evaluated

‘FOURTH OPTION’ NOW!

Tenants and other supporters of council housing have been campaigning against government robbery for years. It is wrong that the Treasury takes money from tenants rents and ‘right to buy’ receipts and has treated council housing as a ‘cash cow’.

It makes it even more outrageous that government and some councils bully and blackmail tenants to accept privatisation arguing that there's no public funds to modernise our homes.

Politicians of course dropped this argument when they saw the chance to divide the campaign by promoting arms length companies (ALMO borrowing is ‘on balance’ sheet – they could have given it direct to councils but hoped that the new private company formula would make two-stage privatisation easier, see page 7).

As three consecutive Labour Party conferences have agreed, “ring-fencing all the income from tenants rents, capital receipts as well as equal treatment on debt write off and gap funding” (Composite 10 passed at Labour Party conference, 2006) would fund the management, maintenance, repair and improvement of existing council housing and make building new council housing viable too.

In December 2007 then Housing Minister (now chief secretary to the Treasury) Yvette Cooper announced a review of council housing finance. She promised the review would “ensure that we have a sustainable, long term system for financing council housing” and “consider evidence about the need to spend on management, maintenance and repairs”.

Defend Council Housing has produced a ‘Fourth Option’ for council housing makes sense initial submission to the government's review which includes a response to the My Rent Went to Whitehall policy statement from the Local Government Association, Chartered Institute of Housing and others (see www.defendcouncilhousing.org.uk).



The reviews follows the report of the government's own ‘opt out’ pilot which demonstrated that government was massively under-funding allowances for council housing. “We are talking about the major repairs allowance across the country being 40 per cent short of what most people would estimate is a minimum investment need over 30 years” (Steve Partridge, Housing Quality Network consultant supporting the review group, *Inside Housing*, 14 March 2008).

One big problem – that's assuming the government's commitment is sincere – is that the review won't report until Spring 2009 and funding is dependent on it being included in the next Comprehensive Spending Review (2010/2011)!

Many councils are facing acute funding gaps and are short of money to either modernise homes and meet



Delegations of tenants and trade unionists come from across the UK

the Decent Homes standard and/or manage and maintain their homes in the medium term.

Authorities are reacting differently. Some are enthusiastically using a funding gap as an excuse to try and push through another attempt to privatise homes. Others are more reluctant but facing pressure from Government Regional Offices to ‘look at all the options’ (see page 2 on demands for a moratorium). And a number of authorities are championing demands that councils be allowed to retain all their rents and receipts and break away from

the national Housing Revenue Account. This option poses dangerous risks for tenants (see below).

The other big issue that the review has to address is writing off historic housing debt. Some councils have big debts (the major reason that a few councils get ‘positive’ subsidy from government) largely dependent on borrowing costs associated with the numbers of homes, type of construction and interest rates when some metropolitan councils built large estates (see right). John Perry, policy advisor at the Chartered Institute of Housing, said the

“CIH’s submission (which will not be joint with other organisations) will emphasise the crucial importance of tackling historical debt – the main cause of problems for the council housing finance system.” The finance system was unfair to councils in both positive and negative subsidy, he added.” (*Inside Housing*, 29 August 2008).

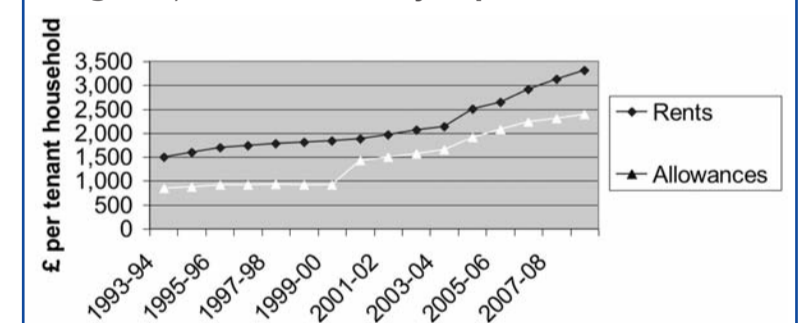
It is essential that government provides gap funding to respect tenants’ choice and ensure that all authorities can at least meet the government’s own Decent Homes standard.

The Audit Commission report (*Financing Council Housing*, July 2005) described existing housing finance rules as “perverse” and argued that the current system is not equitable. Addressing the issue of the small number of authorities with high levels of debt, it recommended “giving a specific focus on solutions for those authorities that currently rely heavily on the system”.

“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.” (Parliamentary Question, 19 January 2006).

The review promised an interim report before the 2009/2010 ‘subsidy determination’ due in December. We need Ministers to announce immediate increases in allowances this year to tide councils over as well as demonstrate their genuine commitment to meet the review’s promise of a “sustainable, long term system for financing council housing”.

The difference between the rent we pay and the allowances for management, maintenance and major repair



For more details – and to see how your authority would benefit if allowances are fully funded – see www.defendcouncilhousing.org.uk/dch/dch_housingfinance.cfm

Breaking up the national HRA is risky for tenants

Some councils are encouraging tenants to support breaking up the national Housing Revenue Account (HRA). The Local Government Association (LGA) and others have backed this demand in a policy statement ‘My rent went to Whitehall’. Keeping all rents locally sound attractive. But behind the talk of ‘localism’, greater accountability and supposed ‘business efficiencies’ lie real risks for tenants.

If we lose the national unity of the council housing sector it will make it politically easier for supporters of privatisation to bully tenants into accepting stock transfer down the line. Leaving the national HRA, like stock transfer, is a ‘one way ticket’ – there’s no going back.

There’s a real risk that council

business plans fail. It’s easy to see how in the current economic climate financial assumptions could prove wrong, and senior officers and elected councillors could end up making bad financial decisions. If the business plan goes pear-shaped for any reason the authority would be telling tenants it has no choice but to sell homes.

Most council tenants aren’t concerned about abstract ‘local autonomy’ but whether there is enough money going into managing, maintaining, repairing and improving our homes. Getting government to fully fund Management & Maintenance and Major Repairs Allowances – within the national HRA – secures a sustainable future for council housing without exposing tenants and their



Sticking together

homes to changes in inflation, interest rates and other economic factors which leaving the national HRA would involve. We’re better off leaving responsibility for macro economics with government and concentrating on making sure councils spends the allowances in tenants’ best interests.

No doubt government will offer

bribes or other ‘incentives’ to get councils to ‘opt out’. We’re likely to be subjected to a ‘divide and rule’ strategy talking up differences between authorities (north v south, metropolitan v rural, positive v negative subsidy) to set tenants against one another. The whole experience of the tenants movement – including fighting for ‘secure’ tenancies, opposing ‘market’ rents, demanding our landlords consult and listen to us and fighting against the robbery – is that we’re stronger when we stick together across the country.

Tenants should also ask themselves why some councils are suddenly talking about a ‘tax on tenants’. Many have dipped their hands into the HRA to fund non housing services that should properly be funded by all resi-

HOW GOVERNMENT ROBS OUR RENTS AND RECEIPTS

Government robs money from council housing in two ways: Firstly it collects more in rents than it pays in allowances to local authorities to enable them to manage, maintain (M&M) and carry out major repairs (MRA) to our homes. The ‘Moonlight Robbery Campaign’ estimates, from answers to Parliamentary Questions, that this amounts to more than £19 billion since 1997. Secondly, government takes 75% of the capital receipt from ‘right to buy’ sales and has benefited from stock transfer receipts. In 2008/09 each tenant will pay £3,120 per home in rent (£6.4 billion according to the HRA Review team)

but only receive £2,391 per home (£4.7 billion national total) back in services. Government lets councils keep just £1,720 per home (£3.4 billion) for management and maintenance and £671 (£1.3 billion) for major repairs. Nationally, this means the government will rob tenants to the tune of £1.7 billion this year, and it’s increasing (Figures from DCLG subsidy determination 2008/2009). “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). Stock transfer

has produced £6.08 billion ‘Total Transfer Price’ – money which comes from council housing and should have been reinvested in council housing (*UK Housing Review 2006/2007*). The answer to a key Parliamentary Question shows that on top of the money taken from our rent to fund historic debt government is profiting this year by £198 million. This profit is predicted to rise to an estimated £894 million per year by 2022! (PQ Answer 155558, 19 June 2008, Appendix A).

Read more about the arguments in the DCH ‘Dear Gordon 2’ pamphlet (see back page to order copies).

UNDERFUNDING ALLOWANCES

MANAGEMENT AND MAINTENANCE

Research commissioned by government from the Building Research Establishment (BRE) in 2001-02 showed that Management and Maintenance Allowances should have been £5.5 billion when in fact they were only £3 billion. In 2004 Parliament was given an update and told “Hence the 2004-2005 level of allowances would have to increase by about 67% in real terms to reach the estimated level of need” (PQ 1705 03/04 29 April 2004). Adjusted for today’s prices and stock numbers, the BRE’s findings show that M&M allowances are now about £1,300 million too low.

MAJOR REPAIRS

According to the report from the government’s ‘opt out’ pilot study current Major Repairs allowances “undercuts basic investment needs by 43 per cent over 30 years” (*Inside Finance*, March 2008). This amount to £950 million a year. Council housing allowances need to be funded by an additional £2.25 billion ((£1.3 b M&M plus £0.95 b MRA) per annum to meet actual need. The Department for Communities and Local Government (CLG) has finally agreed to commission new research to assess the amount required to fully fund these allowances.

NEW RESEARCH TO IDENTIFY FUNDING GAP

The Department for Communities & Local Government has finally commissioned new research into how much is needed to fund the management, maintenance and ongoing repair of council homes. Defend Council Housing has been asking Ministers to update research by the Building Research Establishment (BRE) on Management & Maintenance Allowances (M&M) and work to identify the shortfall in Major Repairs Allowances.

TENANTS SHOULDN'T HAVE TO PAY FOR THE ‘HISTORIC DEBT’

In the last few years government has said that around £1.2 billion a year of the ‘robbery’ from tenants rents goes to support historic debt because, they argue, existing tenants should pay the cost of building council homes in the first place.

Because the current system is deeply unpopular and unsustainable they are looking at new formulae, re-packaging and maybe redistributing charges for historic debt. “This charge would effectively represent the value of past and present investment by central government into council housing that it ought to be entitled to earn a return on.” (*The Cost of Capital*, Keith Jackson, HM Treasury, June 2008)

There are a number of arguments

1. Council tenants neither own the asset nor benefit from capital receipts from the sale of council housing. Like hospitals and schools it belongs to the public. Since we do not have a financial ‘interest’ in the asset we should not be responsible for servicing the debt.
2. The proceeds from ‘right to buy’ and stock transfer have been more than enough to allow government to pay off the remaining historic debt (around £12 billion) three times over.
3. Government takes over any outstanding debt (and pays gap funding) when councils stock transfer homes. If government can subsidise privatisation they can do the same to

respect the choice of tenants to stay with the local authority (see PQ 186840, Appendix B ‘Gap Funding’). 4. Government does not attempt to recover public subsidy from home owners, though homeownership is the most heavily subsidised form of housing in England: £18.4 billion in 2004-5 compared to £15.4 billion on both council and housing association housing, including housing benefit! (*Hills: Ends and Means*, LSE, Feb 2007).

5. There is no proposal to recover Social Housing Grant and other funding to Housing Associations or other landlords.

If government subsidises many forms of housing why are only council tenants expected to pay back the Treasury?

SHEER COST OF PRIVATISATION

Government says that the outcome of their review must be ‘financially neutral’ – ie government shouldn’t be required to put money into council housing. That’s a bit rich considering how much they’ve siphoned off over the years!

But they are discussing only four areas: money taken out of the Housing Revenue Account, the amount spent on Housing Benefit, the level of borrowing as it affects

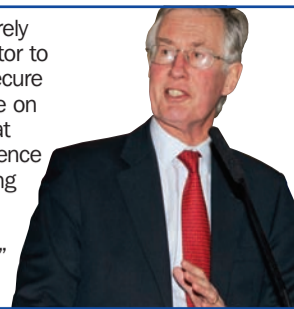
the Public Sector Borrowing Requirement, and the administrative costs of the system. There is a fifth area of government finance which relates to council housing: the vast subsidies for transfer of council housing to the private sector.

Between 2000-01 and 2006-07 £2,436 million – nearly £2.5 billion – was spent writing off overhanging debt for councils which transferred (Parliamentary

Question 25/02/08).

A further £387 million has been spent on gap funding (Parliamentary Questions 19/02/07 and 10/03/08). Government is clearly prepared to dig deep to subsidise privatisation. Resources available to subsidise gap funding and overhanging debt for privatisation should be made available for direct investment in council housing.

“It is unrealistic to rely on the private sector to provide decent, secure homes that people on lower incomes need at prices that they can afford; nor is there evidence – quite the contrary – that housing associations are rising to the challenge. Funding for local authorities is grossly inadequate.”
Michael Meacher MP



“Council tenants of Swansea voted to stick with the elected council... want to see improvements to their homes and estates as well as new, high quality Council homes. They want secure tenancies, reasonable rent levels and a Council landlord that they can hold to account at the ballot box. These are not unreasonable demands. They are what our Labour government should be delivering by providing ‘the Fourth Option’ now.”

Martin Caton MP

“We’ve had three consultative votes and none less than 95% on each occasion has voted to stay with council provision... at Bolsover we need a level playing field for extra investment... All we want to do is play along a level field with other housing providers.”

Cllr Keith Bowman, Housing Cabinet member Bolsover

“We need an emergency housing programme spearheaded by local councils building, refurbishing and providing long term secure tenancies. The Government must end the sell off of council homes and public land and give the council the freedom and resources they need to start a new housing revolution.”

John McDonnell MP

“Council houses are needed by those who cannot afford to get on the housing ladder. In Stoke on Trent we have a long council waiting list. Yes, we should encourage affordable housing but not at the expense of council housing.”

Joan Walley MP

“Despite all the Government’s warm words councils do not have the money to modernise and maintain all their existing Council Housing and neither the money or the freedom to build new housing. It is time to give Local Authorities in the UK the same freedoms to meet local community needs that their counterparts in Europe have.”

Paul Holmes MP

“We’ve got 6,000 apartments in the city of Leeds, of which 35% are still currently empty, and you’ve got nearly 30,000 people on the waiting list. We support this national campaign for direct investment.”

Michael Hall, chair Leeds Tenants Federation

“So many former council houses now in the hands of private landlords, charging rents way above public sector rents. Housing waiting lists are under extreme pressure, and thousands of people live in overcrowded accommodation. It’s time to build council housing again which is excluded from the right-to-buy legislation.”

Brian Iddon MP

UNITE THE ‘COUNCIL

All tenants have common interest in ‘Fourth Option’

All 2.5 million council tenants and our households, have a common interest. It’s crucial that we unite the ‘council housing family’ to step up pressure on government to agree the ‘Fourth Option’.

Whether we are in ‘retained’ authorities (direct council management) or ALMO (Arms Length Management Organisation) – we all need to win additional resources to address the black

hole in our council’s Housing Revenue Account to ensure they can modernise all our homes, improve our estates and fund ongoing management, maintenance and repairs to sustain first class council housing for years to come.

Ministers have tried to divide and rule or bully and blackmail us into accepting their proposals. After years of saying there was no public money to give to council housing, they produced

the bribe of public investment if councils set up new arms length companies.

It would have cost government exactly the same to have respected tenants’ choice and allowed councils to borrow direct. The extra public investment was offered because they hoped the new formula would undermine demands for direct investment in council housing, break the back of the campaign and make it easier for them to

come back at a later date and pick off and privatise the ALMOs one by one.

It was a difficult decision for tenants – and many were never really given a proper choice. Those decisions are now behind us. The point now isn’t to re-criminate but unite.

There are signs today that some politicians want to try and divide us again by proposing to break up the national Housing Revenue Account (see pages 4/5) and asset strip council land using Local Housing Company public/private partnerships.

It’s crucial that the alliance of tenants, unions, councillors and MPs calling for direct investment in council housing remains united to make sure they don’t succeed.



Tenants united in Swansea...

Opposing two-stage privatisation of ALMOs

Some ALMOs are now promoting privatisation by stock transfer or morphing into public/private partnerships – “two-stage” privatisation as we predicted. Whilst many tenants were promised the ALMO was only a temporary vehicle that would be wound up once the Decent Homes work was completed, there is a strong lobby to make sure this doesn’t happen.

“Gwyneth Taylor, policy officer at the National Federation of ALMOs,

predicted tensions would develop with parent authorities. ‘A number of councils cynically set up an ALMO to get decent homes funding and then planned to wind it up. But that isn’t going to happen.’” (*Inside Housing*, 11 Jul 2008).

In some authorities tenants have seen big sums spent on expensive set up costs but the ALMO hasn’t yet been given access to additional funding. In others the promised improvements have been scaled back and promises to tenants broken! “The last wave of

arm’s-length management organisations looks set for a much tougher funding regime than previous rounds” (*Inside Housing*, 15 February 2008).

Tenants and councillors in ALMO authorities increasingly see their long term interests in uniting with those in ‘retained’ authorities to win the ‘Fourth Option’ that guarantees a secure future for all council housing.

More tenants and councillors are also talking about winding up their ALMOs to save on extra costs and see off moves to privatise.

‘Local Housing Companies’: latest

Government is heavily promoting new Local Housing Companies (sometimes also called ‘special purpose vehicles’ or ‘local development vehicles’.

These involve councils setting up a public/private partnership and contributing valuable public land. Supposedly 50% of new homes will be ‘affordable’ (that immediately means that half will be for sale at market rates) and some of the so-called ‘affordable’ 50% will be shared ownership or ‘intermediate’ housing.

The small number for rent – often referred to as ‘council housing’ will in fact have ‘assured’ not ‘secure’ council tenancies, charge RSL rents and may be managed by an RSL – not by a directly elected and accountable council landlord.

With prices for new homes falling and inflation and interest rates on the increase, the picture is likely to end up even worse as developers and lenders insist on protecting their profits.

The LHC (Local Housing Company) formula is another attempt by government to try and avoid building large numbers of new council homes and promote private sector housing in-



stead. It is a deliberate strategy to divide the alliance of tenants, trade unions, councillors and MPs demanding direct investment in council housing and diffuse demands for direct investment in council housing (the ‘Fourth Option’).

Public/private partnerships have a disastrous track record. Impressive sounding objectives to meet public need at the beginning of projects invariably get scaled back. The private sector ‘partners’ will be looking to maximise profits and minimise their

exposure if the business plan goes pearshaped. Councils have a poor track record of effectively policing these kind of arrangements.

Ministers hope to get LHCs up and running with little or no public debate to see off calls to build first class council homes on public land.

Now that government has conceded that councils can bid for Social Housing Grant the LHC formula makes even less sense. “Access to these funds will allow good councils to build new council homes to allocate to tenants on the basis of the same system of affordable rents and secure tenancies which apply to existing council homes.” (Letter from Caroline Flint, 26 July 2008).

When most authorities have growing waiting lists and there’s strong demand for council housing it makes political and economic sense to prioritise the use of public land to build first class council homes with the benefits of ‘secure’ tenancies, low rents and an accountable landlord that more and more people want.

Some councils are already talking about ‘transferring’ their existing council stock to a Local Housing Company!

“Government has to provide funds to enable all councils to meet the Decent Homes minimum standard. It must also stop coercing housing authorities into stock transfer and stop siphoning money from tenants’ rents and capital receipts. We need a strong, well-resourced national council housing sector, so I strongly oppose breaking up the national Housing Revenue Account as this will lead to more privatisation in the difficult years, which lie ahead.” **David Taylor MP**
North West Leicestershire



HOUSING FAMILY’



... and across the country for the 'Fourth Option' for council housing

“Why should Council House tenants be treated as if they were somehow in transit? Instead of making people feel that Council House occupancy is little more than a temporary aberration we should be building homes fit for the future and homes to be proud of.”

Dave Anderson MP

“If people are unhappy at the standard of housing, they have an option where there is council housing. That option is the local elections... What right will future generations have to hold their local political leadership to account about what it is doing locally on housing and homelessness?”

Adam Price MP

“Our negative subsidy has gone up and we are going to be paying the average of £1,500 per unit. How can we plan a proper business case to do the repairs and modernisation that we need?”

Cllr Catherine Smart, Housing Executive member Cambridge

“In Scotland tenants are ready to challenge the existing orthodoxy. We need much more council housing to help solve the present crisis.”

John Carracher, convenor, Scottish Tenants Organisation

“We are asking for what is right and what works for all those people who want to remain with stock-retained authorities.”

Cllr. Milan Radulovic, Broxtowe Borough Council (chair Association of Retained Council Housing)

“People would often rather be a council tenant... because councils are often much more accountable to their tenants. At least with councils, tenants can kick out the management every four years... Housing associations, particularly the bigger ones, often fail. That is why council housing is a good thing.”

Simon Hughes MP

“Tenants need a national voice but it must be tenants representatives elected by and directly accountable to tenants.”

Jimmy Devlin, Merseyside Residents Network

“There is a serious housing crisis in Britain. Many people cannot afford the ridiculously inflated costs of house purchase and need good quality, secure housing to rent. We must improve the existing council housing stock and build new, high quality council housing which is not for sale.”

Clare Short MP

“I view with mistrust government proposals for mixed tenure estates and shared ownership. There are no convincing models yet produced that are affordable to low income families.”

Alex Brown, secretary Yorkshire & Humberside Tenants Federation

formula to diffuse our campaign

Brighton is proposing to transfer empty homes and temporary accommodation whilst a Barking & Dagenham council proposal discusses moving all homes into a new company!

Local Housing Companies are an unnecessary risk – we can secure funding for new council housing and make Ministers keep their promise to “ensure that we have a sustainable, long term system for financing council housing”.

The following authorities are on the pilot: Leeds, Sheffield, Nottingham, Newcastle, Wakefield, Sunderland, Dacorum, Harlow, Peterborough, Bristol, Plymouth, Wolverhampton, Manchester and Barking and Dagenham.

If your council is considering setting up a public/private partnership find out the details and organise a public meeting. Invite people on the council housing waiting list as well as tenants, local trade unionists, politicians and political activists and demand that the council conduct a full public debate and produce an alternative plan based on the council applying for Social Housing Grant to build council housing instead.

BACKGROUND

In July 2007 the government launched ‘Local Housing Companies’ in the *Homes for the Future: More Affordable, More Sustainable Green Paper*.

English Partnerships (facilitating the process) said that Local Housing Companies are not about councils building council housing:

“This package is not advocating a return to Council housing... [it] offers clear incentives for Local Authorities to return to developing (but not constructing) houses in their local area.” (*Local Authority Land Development Model*, 18/07/07)

In March, following a meeting with the then Housing Minister Yvette Cooper, DCH received formal confirmation that homes built by LHCs and ALMOs would not in fact be ‘council housing’. The email explained:

“If new homes are developed and owned by a separate corporate vehicle, including an ALMO or SPV [Special Purpose Vehicle], then the advice we have received is that the local authority would not have the landlord interest necessary to meet the statutory conditions for a secure council tenancy. The properties are therefore likely to be

offered on assured tenancies. If they are built with social housing grant then the contractual conditions for receiving grant will ensure they are offered on the same conditions, including tenancies, rents levels and lettings policies, as new social homes provided by RSLs with social housing grant.” (DCLG, to DCH, 5 March 2008)

ASSUMPTIONS

The Barking & Dagenham scheme is based on house prices going up by 2.5% and 0% inflation on the costs of asset management. If house prices do not rise then the profit from the scheme will be halved. If they fall by as much as 10% then the LHC would become unviable.

SIMILARITY WITH ALMO PRIVATISATION PROPOSALS

In April 2005 a paper called *ALMOs: A New Future for Council Housing* was published jointly by Housemark, the National Federation of ALMOs and the Chartered Institute of Housing. This paper put forward a new proposal in which ALMOs could mutate into a fully private sector company. Councils would keep ownership of the stock,

but give up a majority stake in the ALMO. A 51% majority would be transferred to take it into the private domain to raise private finance. The council would hand over control of the Housing Revenue Account to the ALMO, making the ALMO financially self-sufficient and able to borrow on the private market outside public sector borrowing controls, just like a housing association. Because the council kept ownership of the homes, there would still be no need for a tenant ballot. The ALMO would be given a long-term (35 year) contract, and borrowing would be secured against the rents over that period. Crucially, the banks, not the council, would have the first right to step in if problems arise.

“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*).

The ALMO model and the Local Housing Company model are clearly much closer than was first suspected.

Download the DCH Briefing on Local Housing Companies from website: www.defendcouncilhousing.org.uk



“The recent credit crunch and fall in house prices has brought the need for council houses into very sharp focus. It is more important than ever to ensure that councils are given sufficient funding to modernise their existing stock to meet the highest environmental standards.”
Frances O'Grady, deputy general secretary TUC

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to justify building private homes for sale on valuable public land. Many estates are already mixed tenure – with council tenants now leaseholders, and flats bought under right to buy and sold on to private companies or buy to let landlords renting on six month short lets (often at two or three times the rent of their council tenant neighbours). Mixed tenure can easily create transient, not sustainable communities – and unnecessary exploitation.

The fact is that before underinvestment and shortages forced councils to allocate homes to only the most desperate, council housing provided homes to a wide range of people. As Professor John Hills showed, in 1979 '20% of the richest tenth lived in social housing' (*Ends and Means*, LSE, Feb 2007). The best and quickest way to create mixed and sustainable communities is to build a new generation of first class council homes that re-establishes council housing as a tenure of choice.

Many people choose to rent – others have no chance of affording a mortgage. Falling house prices plus rising interest rates show how unstable and insecure ownership can be. Government is pouring public money (some of it taken from council housing) into 'shared ownership' but take up is low, and costs are high – it doesn't make sense to pay a mortgage, pay rent and be responsible for repairs!

It's right that people should have a choice of different housing tenures but that has to include the right to choose first class council housing too. After years of disinvestment and refusing to build new council housing, with the reality today that private developers, landlords and lenders can't or won't build private housing, it makes sense for government to use public money and public land to build a new generation of first class council homes.

One million and seven hundred thousand households on council housing waiting list – soon to rise to two million households including five million people according to the Local Government Association – would welcome the offer of a council tenancy. It makes both economic and political sense!

UNITED, WELL ORGANISED AND INDEPENDENT...

TENANTS CAN WIN

Council tenants can directly influence and determine the policies of our landlord by organising, lobbying and campaigning locally and nationally.

We've fought off numerous attempts to try and introduce market rents, reduce our security and take away our rights. Where we've been strong and well organised we've managed to fight off privatisation and now we've got government promising to make council housing financially sustainable and start building new first class council homes.

Experience shows that a broad campaign that unites all those who oppose privatisation is essential to defend our homes and our rights. Working with tenant groups, trade unions, councillors and MPs of all parties (excluding fascists who want to exploit racism and divide us) we can pull powerful forces behind us. Locally as well as nationally, that is the way to win.

The best campaigns have been big and bold: leafleting every home and getting posters up on our estates; holding public meetings where we live and in town centres; writing letters to the press. Trade unions are usually supportive if you ask for help.

It's no surprise – particularly when we are being effective – that there are moves to undermine the best traditions of the independent tenants movement. A whole industry of 'tenants participa-

Two London conferences on National Tenants Voice, in June 2008, overwhelmingly passed the following motion:

1. Government should respect the view of tenants;
2. Government should require landlords to fund independent tenants organisation at local level;
3. Any national body set up to represent tenants should be made up of tenants reps who are directly elected and accountable to tenants;
4. We need a clear process for tenants organisations to put proposals to the national body;
5. Before any formal proposal is put to government we should be reconvened and consulted again.

tion' has sprung up. But often strategies to 'empower' tenants actually make us feel less effective. 'Consultation' often feels like a 'con'. In the place of democratic tenants meetings where everyone can have their say, listen to each others' opinions and then vote on formal proposals we get herded into small sanitised focus groups dominated by professional 'facilitators' to play games with Post-it notes where nothing clear is ever decided. Instead of democratically elected and accountable tenants reps we get hand picked steering groups or individuals – often gagged by confidentiality clauses – who never consult or report back to anyone.

It's important that tenants represen-

tatives meet with government Ministers and senior civil servants but only if they are elected by and representing ordinary tenants, and are mandated and accountable to them.

There's a big argument about government proposals for setting up a new National Tenants Voice. They want to treat us as individual 'consumers of social housing' – instead of as council tenants who are part of a movement that has a 100 years history as active bedrocks of local communities and politics. The proposed NTV Management Board will have a tenant majority, but with tenants 'chosen' not elected, and no process of being accountable to tenants.

'Independent' members of the Management Board will include civil servants, Chartered Institute of Housing, National Housing Federation and Local Government Association. What's going on?

But there are encouraging signs around the country of more tenants turning against this controlled 'TP' bandwagon, and reviving independent tenants organisations. If we are to fight off the latest threats we'll have to ignore the flattery and refuse the seductive offers of funding if conditions attached restrict our democratic rights to speak and organise. We expect and demand that, however we organise ourselves, our landlords hand over funds from our rents to finance our independent tenants movement, with no strings attached.



Tenants brief MPs

200 tenants, trade unionists, councillors and council officers came to Parliament in January to brief MPs in the House of Commons Council Housing Group. More than 20 delegations gave verbal evidence to support amendments to the Housing and Regeneration Bill.

Amending the bill

Fifty-two MPs sponsored four amendments promoted by DCH and the unions to the government's Housing and Regeneration Bill. The operation helped raise the profile of the campaign at Parliament but the revolt wasn't big enough to win immediate concessions.

Housing Minister, Iain Wright, promised MPs the government would produce a new code of practice to address the democratic deficit with stock transfer ballots (draft for consultation expected soon). See page 2.

Despite opposing our amendment Housing Minister Caroline Flint has now conceded on councils accessing Social Housing Grant.

Unions back campaign

TUC Policy (Congress 2007) "...Congress therefore calls upon the General Council to campaign for:

- i) government to enable local authorities to improve all existing council homes and estates;
 - ii) government to allow local authorities to start a new house building programme;
 - iii) adequate revenue for council homes to be maintained now and in the future...
- notes the unresolved dispute around the "fourth option", agreed by the Labour Party conference, which would allow local authorities to retain their own stock and enjoy a level playing field on debt writeoffs and decent homes investment."

“Housing minister Carole Flint's statement that tenants must actively seek work or have a job or they are at risk of losing their secure tenancies, disgusts me! We are the fattened cow and our rent monies are used by local authorities and the government as a nice little earner.” **Lyn Ralph, chair Doncaster Federation of Tenants**

“Successive governments by their inept policies have increasingly marginalised and stigmatised people living in social housing. Ms Flint should be looking to address the problems of poverty and not try to drive the poor in society back to the workhouse.”

Cora Carter MBE, chair Kirklees Federation of Tenants and Residents Associations

AFFILIATE AND ORDER MATERIAL FROM DCH

Annual affiliation fees:

Tenants/Community Organisations: Local £10 District/Regional £25 National £50
 Trade Union Organisations: Local £50 District/Regional £100 National £250



Copies of this national newspaper
 £20 per 100 / £120 per 1000

Case for Council Housing pamphlet
 £10 (or £2.50 for individual tenants / bulk orders)

Dear Gordon 2 pamphlet
 £5 (or £1.50 individual tenants / bulk orders)

Annual subscription to Campaign Mailings & Briefings £15

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Address

Organisation Position

Tel No(s) Email

Conference delegates Amount £

National newspaper Amount £

Pamphlets..... Amount £

Affiliation fee Amount £

Mailing Subscription..... Amount £

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