

# DEFEND COUNCIL HOUSING

# VOTE NO TO SELL-OFF



THE COUNCIL wants to sell off our homes. They say we can't have all the improvements we want unless we transfer to a different landlord. But they don't spell out the risks and what we lose if they privatise our homes.

If the transfer goes ahead we lose our secure tenancies and other rights. Council housing belongs to everyone - but they want to sell off our homes for just £3,764 each!

They claim Waterways Housing will be "set up locally for local people". But housing associations are private companies in law and

are under ever increasing pressure to accept mergers and takeovers.

One fifth of new transfer associations get into financial difficulties and have to be taken over to survive. Only the biggest multi million pound national companies are likely to remain in a few years time.

The council have also told us nothing about the alternatives. There's a lot they haven't told us about their financial position and whether they're really using all their available resources on our homes.

They haven't told us that tenants all over the country are choosing to stay with their councils rather than transfer. And they haven't told us that tenants nationally pay enough in our rents for all the major repairs and improvements that we need.

Council housing may not be perfect, but it's worth defending - for us and for future generations.



**VOTE NO TO PRIVATISATION: IT'S NOT WORTH THE RISK!**

## Can you tell the difference?

Current Average Council Rent	Average Rent for new tenants
£41.25	£57.64

... and that's before the new landlord thinks about charging for 'improvements' and new 'service charges'

## THERE IS AN ALTERNATIVE DIRECT INVESTMENT IN COUNCIL HOUSING

Nationally, council housing generates more than enough money to pay for all the improvements that we need, as a recent report by MPs shows.

More than 250 MPs have backed the call for direct investment in council housing and the numbers are growing.

We've already forced concessions from the government including a new 'right to borrow' for councils. A number of councils have found that this new 'prudential borrowing' allows them to expand their investment programme.

Some councils are trying to make out that privatisation either isn't bad (who are they kidding) or that there is no chance of government agreeing to invest in council housing. But last September deputy prime minister John Prescott and Housing Minis-

ter Keith Hill promised to review funding for council housing. Labour's conference voted 8:1 for a 'level playing field' for council housing.

They are trying to look tough to bully tenants in a few more areas to accept transfer. But the fact is the government's position is isolated and untenable - and they know it. If we stand up to the blackmail and step up the campaign we can win direct investment - without strings and without risks.

Voting No in the ballot in Ellesmere Port and Neston means we'd get a substantial programme of investment now, keep our secure tenancies and can join with tenants, trade unions, councillors and MPs around the country to win all the investment we need.

## 8 REASONS TO REJECT TRANSFER

- 1 **Evictions Up**  
We lose our 'secure' tenancies. Evictions by housing associations are much easier under housing association 'assured' tenancies, and their eviction rate is higher.
- 2 **Rents Up**  
Housing Association rents are higher - 20% on average. Rent guarantees only last 5 years and do not apply to new tenants. On top of this are extra 'service charges' which can be increased at any time.
- 3 **No accountability**  
Council tenants get to vote for their landlord in local elections every four years. Housing Association boards are accountable to no one and dominated by the banks and lenders.
- 4 **Privatisation**  
Councils can borrow much cheaper than Housing Associations. Transfer means more of our rents going on profits for the banks rather than repairs to our homes.
- 5 **Massive setup costs**  
Transfer in Ellesmere Port and Neston is estimated to cost three and a half million pounds. This money could be used instead to carry out the repairs and improvements tenants need!
- 6 **Worse Services**  
Ordinary workers end up worse off after transfer, with their terms and conditions under threat, while senior managers get fat cat salaries. Staff demoralisation affects the service tenants receive.
- 7 **More homeless**  
Shelter, the homeless charity, reports that 43% of councils after transfer said they were having trouble getting the new landlords to deal with homeless applications.
- 8 **No return to the council**  
Transfer is a one way ticket - there's no going back to the council if promises are broken. Housing associations make lots of promises but what happens if they go bust?

"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**

"Give the people the choice they want. That choice has to allow them to stay, if they want to stay, with the council. Just a simple matter of a government which believes in choice giving people a real choice." **Austin Mitchell MP**

## Conflict of Interest

Don't you think there is a conflict of interest when the senior managers who are pushing for privatisation are likely to benefit personally from big pay rises if the new company is setup?

Consultants are making a killing out of the whole privatisation industry too. Companies like Dome, the so-called, "independent tenant adviser" in Ellesmere Port and Neston, are neither 'independent' (they are paid by the council), nor are they 'tenants'. Their fees and the other costs of transfer would be better spent on improving our homes!



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## USE EXISTING RESOURCES - AND CARRY ON FIGHTING FOR MORE

Ellesmere Port & Neston Council has significant resources of its own to spend on improving our homes, even if we vote NO to the transfer. They admit that they can still afford to provide:

- ★ all the high security external doors
- ★ 6 out of 7 of the new roof coverings needed
- ★ 89% of the rewiring needed
- ★ new modernised kitchens and bathrooms for those who most need them
- ★ 914 new central heating systems
- ★ 10,711 new double-glazed windows

## Lots of gloopy material but... WHAT AREN'T THEY TELLING US?

The council commissioned a report from consultants Hacas Chapman Hendy into their financial situation in July 2002. According to their calculations, if our homes stayed with the council then over ten years there would be a shortfall of "between 22.7m and 9.6m".

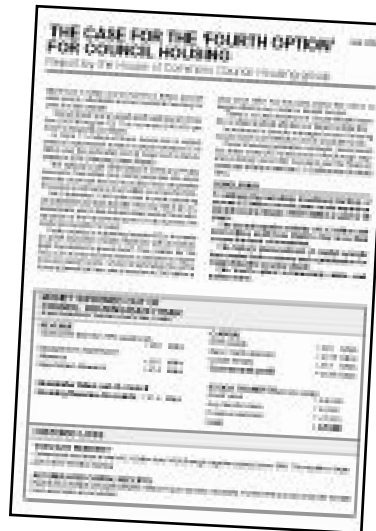
This is clearly much lower than the claim the council are making in their glossy propaganda that there is a gap of £26m.

Since then, the government has increased its allocation of Management & Maintenance Allowances to councils. In 2002/3 each household in Ellesmere Port & Neston got a M&M Allowance of £867. This increased to £900 in 2003/4, is up another 17% to £1000 this year and goes up a further 14% to £1145 next year.

Have the council re-calculated how this helps increase what they can spend on our homes? And have they looked at whether the new 'prudential borrowing' powers, conceded by the government in 2004 after years of campaigning by tenants, could help the council do more improvements to our homes itself?

The council earns about a million pounds a year in right-to-buy receipts from the sale of council houses (that's the amount it's allowed to keep after the govern-

ment pockets the rest). Do you know what proportion of those useable right-to-buy receipts they are putting back into our homes? Many councils spend the money on other schemes that are nothing to do with council housing.



**A report produced by the Council Housing Group of MPs shows that government siphons off £1.5 bn a year from tenants' rents and £0.5 bn from right-to-buy receipts - enough to do all the repairs and improvements we need!**



Tenants around the country are campaigning to get improvement but we don't want to trade our secure tenancies for a new kitchen - we want both!

## HOW MUCH WILL IT ALL COST?

**It is wrong that the council is using our rents to pay for its glossy pro-transfer campaign.**

Money that could be spent improving our homes is being wasted on glossy brochures, a roadshow, and videos for every tenant, all describing the benefits of sell-off. The council has budgeted £3.55 million to spend on their propaganda campaign and all the legal costs of setting up the new company. Think how many new kitchens and bathrooms that could pay for. What a waste!

## THE RISKS OF TRANSFER

There several risks after transfer. One is that the new housing association will get into financial trouble; and the other is that it will expand and merge with other associations until it is no longer a local company. Transfer also threatens tenants' rights.

Most transfer associations do not stay local. The trend is for smaller Housing associations to become part of a Group Structure in order to access bigger borrowing facilities. 60% of all English transfer landlords in existence in 2001 were part of group structures.

At the moment we have a direct democratic relationship with our landlord. If we don't like what they do, we can vote them out every

four years at the ballot box.

Registered Social Landlords (another name for housing associations like Waterways) are completely different. They are private companies in law; and they borrow directly from private lenders at higher costs than councils. This means the banks will make a profit out of what used to be a public service.

RSLs are run by an unaccountable board of directors, and they function increasingly like businesses, with lenders in the driving seat.

### More Evictions

Council tenants' secure tenancies are lost after transfer, becoming 'assured' tenancies, which make eviction easier. New tenants won't get any guar-

antees over their rights, so over time tenancy rights will be eroded further.

RSLs have a right to an 'automatic power' of eviction if you are more than 8 weeks in arrears. Pledges not to use this are legally worthless. Overall evictions by RSLs have risen by 36 percent.

### More Expensive

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. Transfer RSLs have housing management costs a full 39% higher than councils. Their chief executives receive fat-cat salaries, often more than £100,000. All of this extra expense has to come from somewhere.

### A Locally-Based Organisation?

Those tenants who used to live in a council home in Carlisle, in the Netherley and Dovecot areas of Liverpool, or in Manchester council's homes in Langley, Rochdale - are now tenants of the Riverside Group which owns around 40,000 properties and operates in 27 local authority areas.

By 2001 60% of all English transfer landlords were part of group structures.

How long will Waterways last?

## Tenants Power A Con

THE COUNCIL claims that having tenants on the board of the housing association will give tenants more power. This is a con!

The Board of Directors setup gives us a few token tenants, but they will be in a minority and their hands will be tied by company law. Tenants who sit on the boards of Housing Associations find they are gagged. They are constantly told the information they receive is 'in confidence' and they can't publicise it. Many who have spoken out for the interests of tenants have been kicked off the board.

## This Campaign Needs Your Help

It is wrong that the council is using our rents to pay for its pro-transfer campaign. We have to rely on donations from tenants and trade unions to put the case against.

**If you believe that tenants should hear both sides of the argument before they vote:**

- ★ Distribute this broadsheet to every council home in your area;
- ★ Put up posters on your estate and in your window;
- ★ Most important... talk to your family, friends and neighbours and get them to VOTE NO.

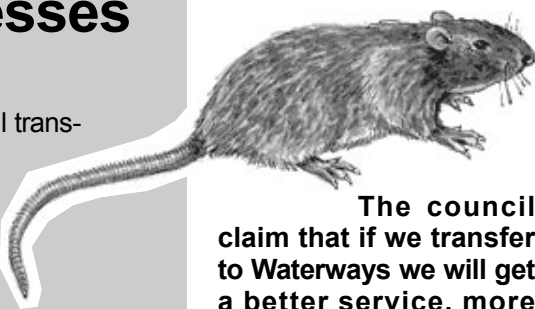
**To get involved contact Ellesmere Port & Neston DCH c/o 12 Oakmere Drive, Great Sutton, Ellesmere Port, CH66 2XT phone 07947 343229**

You can find more detailed information from the national Defend Council Housing campaign:

**Write PO Box 33519, London E2 9WW Phone 020 7987 9989 Website www.defendcouncilhousing.org.uk**

## Financial Weaknesses In Weaver Vale

The 7,000 tenants of Vale Royal Council transferred less than three years ago to Weaver Vale Housing Trust. The Trust has just had to be placed under supervision after it overspent by £2.3 million in its improvement plan. A report by the Housing Corporation revealed financial weaknesses within the trust, and that 60% of its homes fail to meet the Decent Homes Standard. (Northwich Guardian 29/9/04).



**The council claim that if we transfer to Waterways we will get a better service, more improvements - and all for the same rent. Can you smell a rat?**