

DEFEND COUNCIL HOUSING

Stop the blackmail Invest in council housing



The government and councils are pushing transfer or other forms of privatisation of council housing. They say repairs and improvements can only be done if we accept transfer, PFI or ALMOs. This is not choice - it's blackmail.

It is not true that there isn't enough money. The government has siphoned more than £13 billion out of tenants' rents since 1990, clawing it back from councils' Housing Revenue Accounts. This is enough to pay for two-thirds of the total national repairs backlog.

On average we pay £2,500 rent a year each and £1,000 in major repairs and £500 in management and maintenance is spent on our homes each year. The difference of £1,000 per tenant per year - £2.8 billion - goes off our estates and into government coffers.

Yet we are told the only way to clear the repairs backlog and bring all our homes up to a decent standard is to privatise council housing. We will not trade secure, affordable, accountable housing for a new sink or bathroom. We demand both!

DIRECT INVESTMENT IN FIRST CLASS HOUSING

We will not accept the blackmail that says we can only have repairs and improvements if we accept a change of landlord and privatisation. Privatisation means loss of our security of tenure, more evictions, higher rents, and landlords who are accountable to the banks not the tenants. Why can't councils have

the freedom to invest in our homes?

Despite the blackmail, and the glossy propaganda paid for by our rents, in one in four ballots tenants have voted no to transfer. Others have stopped privatisation before the ballot stage. Council tenants in Birmingham, Dudley and Southwark are the latest to vote NO and they are demanding instead to invest directly in council housing - with no strings attached.

We want an option of direct investment in first class council housing. That would give tenants real choice.

Government must stop siphoning off so-called 'surpluses' and allow councils to borrow against this revenue. We demand that every council should get subsidy equivalent to writing off overhanging debt - not just those that privatise.

The draft Local Government Bill makes it clear that there is money available: so give us a real choice - the choice of investment in council housing.

STOP SUBSIDISING PRIVATISATION

It is totally unfair for government to use our rent money to subsidise debt right off and increased borrowing for transfers and ALMOs.

The government plan to spend £800 million subsidising transfer in 2003-4 - almost as much as the entire £842m budget for housing credits to fund all of council housing.

This is a continuation of Daylight Robbery.

They could double investment in council housing overnight.



What you can do...

- Help leaflet every council tenant to argue for investment and join our campaign
- Hold a public meeting with tenants, trade unionists and campaign speakers
- Sign up tenants, trade unions, councillors, MPs and others to the **Manifesto for Council Housing** (above)
- Organise a deputation to your next Council meeting - get them to join the national campaign for investment not privatisation
- Contact your MP and ask to see them; get them to sign Early Day Motion 1094 'Case for Council Housing' and back the fight for direct investment

Resist the blackmail to accept Transfer, PFI or ALMOs

The case against Transfers

Tenants in transfer lose their 'security of tenure'. With evictions on the increase having a 'secure tenancy' gives important protection over 'assured tenancies'.

Existing tenants are usually offered short-term 'rent guarantees' but what happens when they run out?

The government pretend that Housing Associations and other RSLs (Registered Social Landlords) are just like councils but they are not. Peter Fanning, chief executive 4Ps (local government owned) public/private consultancy makes the situation clear: 'RSLs offer services to the public, but are in the private sector and are used to competition. A few would appear in the FTSE 250 if they were quoted.'

RSLs are under pressure to exclude non-professionals from their boards, leaving them dominated by appointees, accountable to no one. Tenant involvement is token. Increasingly the lenders are calling the shots.

No council tenants have ever lost their homes because their council went bankrupt but the future for privatised tenants is less

certain. The business plans of many RSLs are coming apart at the seams. Mergers and takeovers can invalidate any commitments made to tenants.

The case against PFI

The experience with PFI in other sectors has been disastrous. They nearly always overrun costs but the developer holds the public sector to ransom.

The final cost is inflated by management fees and the PFI consortium's profits in addition to the higher cost of borrowing incurred by private companies.

Many councils have trouble policing five year maintenance contracts. It is frightening they are considering tying us into a 30 year contract with one company. Whatever the council says the contractor has one interest and that's making a profit. Private companies will find a way of doing it - at our expense.

The case against Arms Length Management Organisations (ALMOs)

Arms Length Management Organisations (ALMOs) are being offered as the new, compromise, formula. Councils will retain ownership, and we will remain as council tenants.

Many politicians realise they can't push through transfer now. Their plan is to use ALMOs to achieve privatisation in two stages. Splitting us up into lots of separate companies will break down identification with council housing, weaken and fragment our opposition making it easier to follow through with full privatisation in a few years time.

This government hasn't turned its back on privatisation - it is looking for another way to skin the cat!

The obvious question is why can't the government just let the council do the work? Why set up new companies and pay senior managers telephone number salaries?

Why not allow councils to borrow and invest in our homes direct?

80 MPs already signed up GET YOUR MP TO SIGN EARLY DAY MOTION 1094 'CASE FOR COUNCIL HOUSING'

"That this House recognises that council housing has provided generations with a decent, affordable, secure and accountable alternative to 'market forces' in housing and is an important part of a comprehensive welfare state; that nearly three million tenants in England and Wales want this to continue but that it requires major investment so that all council housing is first rate and available for future generations;

notes the breakthrough of a new 'right to borrow' for local authorities in the Local Government Finance White Paper, and the Secretary of State's assurance on 16 January 2002 that however tenants vote on privatisation their homes will be brought up to the 'decency' standard by 2010;

believes that real 'choice' for tenants depends on an end to government discrimination against council housing with the introduction of a 'level playing field' with other 'social' landlords, including a total end to the Daylight Robbery tax on housing revenue accounts, an equal 'right to borrow' and public subsidy equivalent to writing off 'overhanging debt' to all councils - not just those which privatise housing; and

welcomes the 'Case for Council Housing' briefing at the House of Commons on 16 April, the Manifesto for Council Housing and other initiatives to highlight this issue and persuade government to 'Stop Privatisation and invest in council housing with no strings attached'.

LOBBY OVER BILL

DCH plan to get the campaign's key demands for a 'level playing field' for council housing tabled as amendments to this Bill.

We need to start lobbying MPs now to support the demands for a full and equal right to borrow for councils, an end to Daylight Robbery and subsidy equivalent to writing off overhanging debt - the bribe offered to councils who privatise. Get your MP to sign the EDM (see above).

Contact DCH if you want to participate in a joint consultation response to the Bill (deadline Aug 22nd).

DEFEND COUNCIL HOUSING NEEDS YOUR SUPPORT...

DCH relies on tenants, trade union and campaign groups to support the national organisation. Please propose your organisation affiliate to DCH, make an additional donation to finance the campaign, subscribe to mailings and order campaign material to distribute in your area.

Annual affiliation fees:

Tenants/Community Local £10 Regional £25 National £50
Trade Unions Local £40 Regional £100 National £250

- 4 page broadsheet (new issue in production) £18 per 100
- 'Case for Council Housing' pamphlet £2.50
- Annual subscription to Campaign Mailings & Briefings £15

Name.....

Organisation.....

Address.....

Email.....

Phone..... Amount Enclosed.....