

# DEFEND COUNCIL HOUSING

## The pressure's on for Direct investment in council housing



The government is under increasing pressure from council tenants and their supporters for 'direct investment in council housing - with no strings attached'.

The 2 to 1 vote against transfer by tenants in Birmingham has forced many commentators to agree that other options for investment are needed if the government is to meet its decent homes target.

In Sheffield opposition to privatisation of council housing was one of the key reasons political control of the council changed in the recent local elections.

The successful DCH 'briefing' event at Parliament and the broad base of support for the 'Case for Council Housing' Early Day Motion (see over) shows that an increasing number of MPs are prepared to support our demand for direct investment and a 'level playing field' for council housing.

This pressure has led directly to the inclusion of a new 'right to borrow' for councils in the Local Government Finance White Paper which will be introduced as a Bill later this year.

But whilst making concessions the government is trying to regain the initia-

tive. They will try and limit the new 'right to borrow' and are likely to increase the bribe to tenants to accept private finance initiatives (PFI) or Arms Length Management (ALMOs) as an alternative to transfer. At the same time they continue to push transfer through wherever they can.

We have to respond on two levels:

Before the Bill's debate in Parliament council tenants, trade unionists, MPs,

councillors and others committed to council housing need to increase the pressure. We demand an end to the blackmailing of tenants that says that repairs and improvements are conditional on accepting transfer, PFI or ALMOs.

This involves lobbying MPs to sign the Early Day Motion and distributing DCH material widely amongst tenants and trade unionists to put the positive Case for Council Housing and for direct investment.

Where councils are pushing transfer, PFI or ALMOs we have to campaign on the doorstep to argue against their blackmail and for direct investment.

Tenants do not want privatisation. By building a bold, confident mass campaign for 'direct investment in council housing - with no strings attached' we can offer tenants across the country an alternative to giving into the blackmail.

With the government clearly on the back foot now is the time to fight for a long term investment strategy that guarantees first class council housing as a right for all!

**"We do not have to trade secure, affordable, accountable housing for a new sink or bathroom. We should demand both!"**

## Clear lessons from NO Vote in Birmingham

The resounding No Vote by tenants in Birmingham was a significant victory for the campaign and shows how to organise successfully.

The keys to success:

- the campaign started early - it takes time to get on top of the issues and pull things together
- Birmingham DCH successfully united council tenants, trade unionists, councillors and MPs into one effective campaigning organisation
- trade unions gave substantial financial support. Tenants were able to produce clear leaflets, posters and stickers in sufficient numbers to put the case against privatisation and for direct investment
- DCH organised local public meetings across the city and took the argument onto the doorstep to explain the issues and win support
- Campaign material carried basic arguments challenging the council's proposals, explained the alternatives and made Birmingham tenants feel part of a national campaign - fighting for council housing

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If there are plans for transfer, PFI or ALMOs in your area the sooner you start the better. In every area there are tenants, trade unionists and others who are opposed to privatisation. It is crucial that there is an organised focus to provide tenants with an alternative to 'accepting the inevitable' and voting 'Yes'. DCH can provide speakers, national material and help you write an effective local leaflet.

Even if you are late starting... South Beds campaign won a resounding 72.4% 'No' Vote after only a few weeks work.

### DCH Briefing for MPs

<http://www.defendcouncilhousing.org.uk/resources/briefingMPs.pdf>

### Early Day Motion 1094

<http://edm.ais.co.uk/cache/printable/edm1094.html>

## WHAT YOU CAN DO IN YOUR AREA...

- build a broad based campaign of tenants, trade unionists, sympathetic MPs and councillors to argue for 'direct investment - with no strings attached'.
- Contact your MP - ask them to sign 'Case for Council Housing' EDM 1094
- Support the national lobby of Parliament this autumn (details to be announced soon). Talk to other tenants and trade union organisations locally about organising a big contingent
- Affiliate to DCH and order and distribute campaign material in your area to put the case for council housing and against privatisation.

# Resist the blackmail to accept Transfer, PFI or ALMOs

In many cases tenants have been waiting years for essential repairs and improvements. The promise that this work will be carried out - but only if tenants sign up for Transfer, PFI or ALMOs (Arms Length Management Organisations) is blackmail.

Tenants only even consider any of these options because council managers, councillors and consultants tell them direct investment in council housing is not possible. We need to show everyone that our joint campaigning is building up real pressure on the government to stop the discrimination against council housing - and that we can win!

The government hope to ride the political storm and divide the opposition with a mixture of bribes (including ALMOs -over) and threats to withdraw the funding of tenants organisations who oppose privatisation.

But tenants in Dudley, Southwark, Birmingham, Sheffield and elsewhere have shown that we are a force to be reckoned with. We can stop transfers. We've won the principle of a new 'right to borrow' for councils. Government is facing increasing criticism. They are unable to justify why public subsidy is available to facilitate transfer, PFI and ALMOs but the same amount of money is not available directly for repairs and improvements to council homes. DCH evidence to the National Audit Office shows the financial inconsistencies in the government's own arguments.

Whenever and wherever councils are pushing Transfer, PFI or ALMOs it is important that tenants hear the clear arguments against these options, the positive Case for Council Housing and have the chance to be part of a national campaign to force the government to concede direct investment with no strings.

## ***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 over-run 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.

**DCH evidence to National Audit Office** <http://www.defendcouncilhousing.org.uk/resources/NAOevidence.doc>

## ***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?

## **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.....

Defend Council Housing c/o PO Box 33519, London E8 4XW ☎ 020 7987 9989  
email: [info@defendcouncilhousing.org.uk](mailto:info@defendcouncilhousing.org.uk) website: [www.defendcouncilhousing.org.uk](http://www.defendcouncilhousing.org.uk)