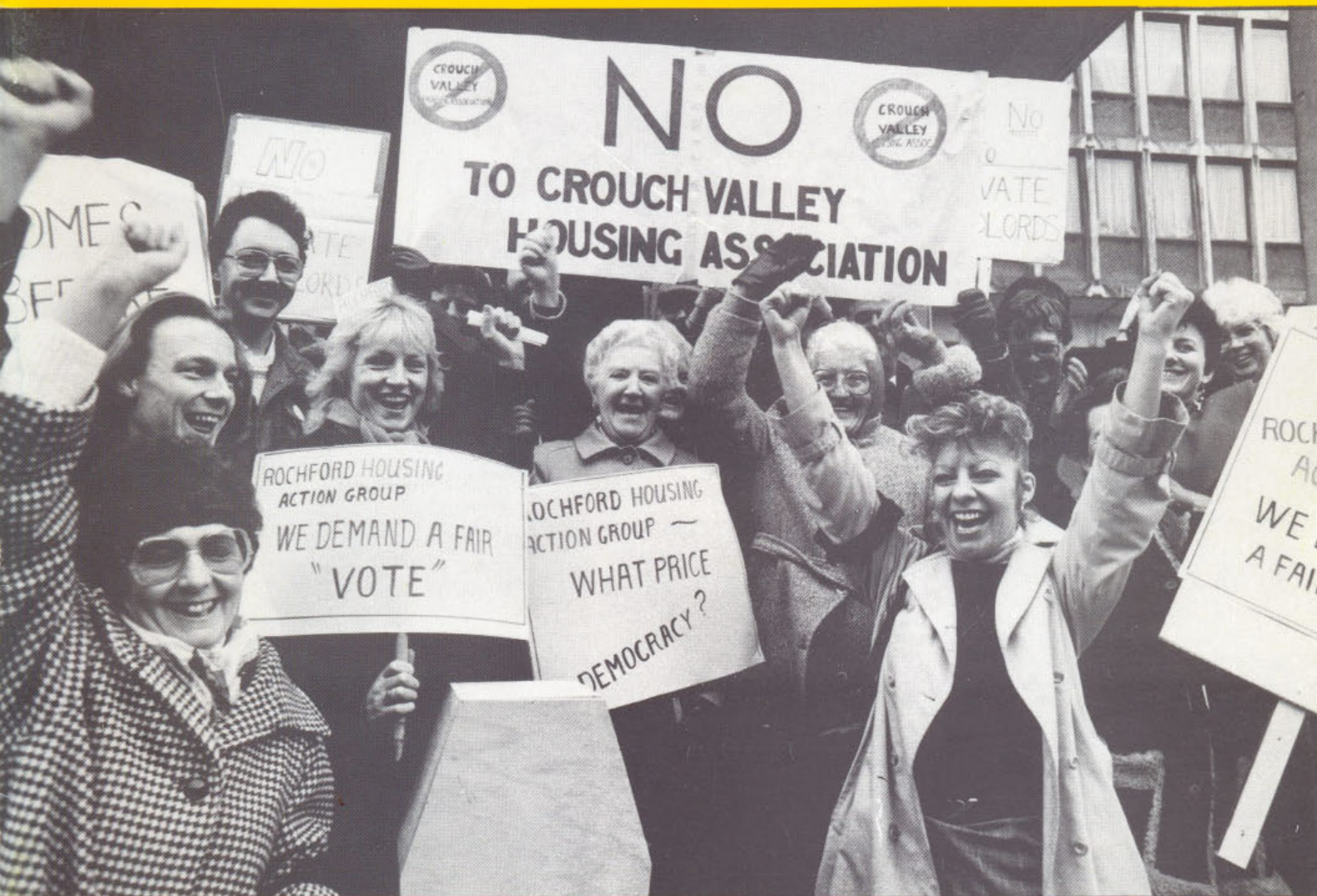


WE ARE NOT FOR SALE

PART TWO



UNDERSTANDING TENANTS CHOICE . . .

WINNING THE BALLOT . . . ORGANISING CAMPAIGNS . . .

LESSONS FROM WESTMINSTER . . . FIGHTING HATS . . .

THE FAILURES OF THAMESMEAD & CANTRIL FARM . . .

CHALLENGING FINANCIAL CONSULTANTS . . .

AND MUCH MORE . . .

WE CAN WIN

The Government's intention is to dismantle council housing and remove it from local control. The Housing Act 1988 introduces far reaching changes into all rented housing, which will affect the housing prospects of everyone on a low income for the worse.

But this isn't going to happen overnight. They have a 10 year plan to transfer council housing to a variety of "independent" and private landlords, and sell off the rest for owner occupation. And to make sure any investment in housing will usually come from private sources rather than public spending.

This is a Guide to that policy, written for tenants and trade

unionists campaigning to defend their homes and their jobs. It is the second part of the 10 Point Action Plan set out in *We are Not for Sale Part 1* and should be read together with that Action Plan. The advice and lessons of campaigning are the same now as they were then.

The only way that the government's plans can be beaten is by tenants organising to defend their homes and to stop the privatisation of housing. Tenants all over the country have already had to campaign against the sale of their estate. And many of them have won hugely successful victories. Their experience is that you have to be prepared, be organised, be well informed

and organise an effective campaign

This pamphlet is based directly on that experience. It aims to help you win.

DATABASE HELP

The SCAT/NALGO Landlord Database is now in operation. It aims to provide up to date information on the new landlords as they emerge, and on the privatisation deals being planned. The Housing Act only contains the framework for the transfer of estates: the Government and the Housing Corporation are making up the rest of the rules as they go along. The Database will keep you up to date with how the rules are being changed.

HOW TO READ AND USE THIS REPORT

This report is packed with information, ideas and analysis and is directly based on tenants experiences in the last few years. It aims to inform, explain and provide the basis for action.

You don't have to read it all through for it to make sense. Just pick the sections that apply to your situation. This brief run down should aid that choice.

■ **Winning at Westminster** (section 1, page 3) shows how tenants have successfully organised to defeat some of the sharpest and most powerful developers in the country.

■ **Pick a tenant** (section 2, page 7) explains the procedure for the so called *Tenants' Choice* scheme and key points to watch out for.

■ **Council Cop-outs** (section 3, page 12) describes the basis of "voluntary transfers", what they would really mean for tenants, how you can challenge them and includes details of Gloucester's tenants' campaign.

■ **Housing (less!) Action (no!) Trust (never!)** (section 4, page 15) sums up tenants feelings about the reality of HATS. This section gives a run down on HATS together with details of tactics and a strategy to fight them.

■ **Eviction for Sale** (section 5, page 19) briefly shows the ever present danger of sales of empty blocks & barter deals.

■ **Resurrecting Rachman** (section 6, page 20) provides details of the government attempts to revive private landlords, explains the new assured tenancies and also how the Housing Corporation is supposed to approve new landlords.

■ **Housing Association — Friend or Foe** (section 7, page 24) aims to describe the different types of HA, how they are changing and the kind of questions to ask and information to obtain to enable you to judge them.

■ **Housing Co-ops — a real answer** (section 8, page 27) gives a critical explanation of co-ops and lists the key questions and issues you need to take into account before even seriously considering a co-op.

■ **Money talks: finances of privatisation** (section 9, page 30) outlines exactly how the government is using carrots & sticks to force tenants into considering privatisation. It provides invaluable information on how to analyse financial deals together with a brief explanation of the new Bill aimed at increasing rents.

■ **The Fixers: Stealing your watch to tell you the time** (section 10, page 34) is an accurate description of a new breed of consultants cashing in on privatisation. This section explores their actions, their background and shows how to challenge and defeat them.

■ **Staying with the Council** (section 11, page 37) discusses how to get improved council services, campaign for a *NO* vote and outlines an invaluable draft Charter to negotiate right now with your Council.

■ **Jobs Under Threat** (section 12, page 41) spells out the threat to the quality and quantity of jobs and how to take action. It includes brief notes on the move towards privatisation of management of council housing.

■ **Thamesmead Tragedy** (section 13, page 43) describes how the government's claim that Thamesmead is a success is in fact a total sham.

■ **Stockbridge Fiasco** (section 14, page 45) shows how the large scale original Heseltine privatisation scheme at Knowsley is also a total failure. Yet both Thamesmead and Stockbridge are used as successful models by the government.

■ **Useful addresses and publications** (section 15, page 47) provides just a few starting points.

THE HOUSING ACT 1988 — THE BARE BONES

PICK A TENANT

Although promoted as the **RIGHT TO OPT OUT** of being a Council tenant and instead "choose" to be the tenant of a housing association, co-op or approved private landlord, it is still the right of any 'approved' landlord to buy an estate, unless more than 51% of the tenants and leaseholders vote no in a ballot. (S93-114/Part IV)

HOUSING ACTION TRUSTS

The Government has powers to declare **HOUSING ACTION TRUSTS** — unelected bodies whose job is to "target public and private resources, renovate local authority housing and then pass it on to different tenures and ownerships". Tenants won the right to be balloted before a HAT is imposed on their estate. (S60-92/Part III)

MARKET FORCES IN THE PRIVATE RENTED SECTOR

Any new letting by any of the new private landlords, including Housing Associations, will be Assured tenants i.e. no Fair Rents, less Security of Tenure and a loss of legal rights. (S1-45/Part I)

TRANSFORM HOUSING ASSOCIATIONS:

Housing Associations will become non-profit making private landlords. All new Housing Association tenancies will be Assured Tenancies. Their Government grants will be cut and they have to borrow money for building or renovation from the private sector, which means much higher rents. (S46-59/Part II.)

THE HOUSING AND PLANNING ACT 1986

cleared the way for the privatisation of housing against the will of the tenants.

EVICITION FOR SALE

Councils (and HATs) can evict tenants in order to sell the empty estate to a private developer. Tenants have to be offered "suitable alternative accommodation". (Sch 2 85 Act/S9 86 Act)

TRANSFER OF ESTATES

Councils can sell an estate or the whole stock with tenants living in it to a private landlord or housing association. The tenants have to be consulted and the DOE have to give their consent. The DOE have issued regulations covering these voluntary transfers. (S6 H&PI 86/Circ 6/88, issued 11.3.88 + S132-6 HA88)

PRIVATISATION OF MANAGEMENT

Councils can "privatise" the management and maintenance of their estates to a private company or to a housing association or trust, subject to the approval of the Secretary of State. Tenants have to be consulted.

NEGOTIATIONS FOR A MANAGEMENT CO-OP.

Tenants can ask the Council to allow them to set up a management co-op. The council must give written reasons for refusal within 6 months.

WIND UP NEW TOWNS

Development Corporations such as Telford, Basildon, Peterborough are to be wound up. Their Housing will go to housing associations or private landlords instead of the local Council as originally planned.

COMPETITIVE TENDERING

Under the Local Government Act 1988, all estate and street cleaning, grounds maintenance, refuse collection work as well as building cleaning, catering and vehicle maintenance services have to be put out to compulsory competitive tender, which could mean these jobs being carried out by a private company. This will mean a worse service for tenants and a massive loss of jobs. Councils are already forced to invite private builders to bid for repairs and maintenance work.

Privatisation threatens hundreds of thousands of council jobs — in the housing department, in caretaking, in parks and grounds, estate cleaning, architects, surveyors, building department, technical services etc. and with it any chance of an accountable and high quality service. Contracted out services, privatised management and cowboy repairs teams do not spell a high quality and accountable service for tenants.

CHANGES IN HOUSING BENEFIT

Housing Benefit has already been cut manytimes in the last few years. The main changes that affect the tenants campaigning against the sale of estates are:

1. There will be a ceiling on the amount of rent that Housing Benefit will pay — and this can be less than the rent that a landlord is demanding.
2. There will be a 'space standard' for rent payments. If Housing Benefit decide that you have 'too much space' because you have spare bedrooms, they can refuse to pay your full rent.

1 WINNING AT WESTMINSTER

The Walterton & Elgin Action Group have been campaigning successfully since 1985 against the extremist Tory Westminster Council and a parade of developers, private consultants, solicitors and Housing Associations. WEAG have:

- stopped Westminster from selling a single home to a developer
- forced the Council to repair 80 homes for tenants.
- ensured 200 households who wanted to move were offered good quality homes
- scared off half a dozen developers including Bellways and Regalian.
- turned the tables on the Tories by using their sell off laws to stop the sale of their homes.

The Walterton & Elgin estates in Paddington consist of 850 homes in seven Victorian terraced streets plus 200 homes in two 21 storey tower blocks. The Victorian houses had never been modernised and some still have no bathrooms. The tower blocks are riddled with asbestos and need new lifts and

heating system. But instead of doing any repairs, Westminster Council want to sell the properties to developers

Westminster's first plan was to bring in Bellways Urban Renewal to carry out a £72m redevelopment. Bellways wanted to knock down the terraced houses, and replace them with 1800 pre-assembled homes. One third would be sold off and although the rest would go to existing tenants, they would be owned by a private Trust, not by the Council. One of the tower blocks was to be sold to Trust House Forte for a hotel, and the other split between a Youth Hostel and homeless family accommodation. The Housing Committee agreed this scheme with the slogan "Creating a new community"!

GROUP FORMED

Within four days, the Action Group was formed and 200 residents turned up at the next Housing Committee where it was to be discussed. After a Council survey found that 93% of the tenants wanted to remain council tenants the Council dropped this plan.

The Action Group was not just opposed to the sell off. It wanted repairs. WEAG developed its own plans for the repair and modernisation of the estate. When the Council tried to sell 20 homes to a couple of local housing associations, WEAG warned them not to get involved as the sale was against the wishes of the tenants. Paddington Churches Housing Association (HA) agreed to respect the wishes of the tenants. At first Brent Peoples HA were prepared to get involved, but withdrew when WEAG distributed leaflets to their staff, and a coachload of tenants went to their AGM to protest.



Westminster tenants demonstrate Philip Wolmuth

With the defeat of the Bellways scheme, Westminster Council started to repair and modernise the homes for tenants. Sixteen houses were picked for modernisation; WEAG fought for a high quality rehabilitation: i.e. proper space standards, sound insulation and central heating. WEAG also made sure the tenants were rehoused where they wanted to go. Another 40 homes are now being rehabilitated to the same high standards.

By the end of 1986, the Council were getting frustrated by the fact that far from selling off the estates, they were doing it up for tenants. In secret, they revived the idea of a "barter deal" with developers for both estates. They employed Project Management International (PMI) to set up the scheme. Since January 1987 PMI have been paid £20,000 a month for conducting negotiations with estate agents and developers. WEAG have raided their offices four times with coachloads of residents, flyposted a photograph of two PMI partners with details of their fees — *Why are these men smiling* — and exposed their lack of expertise.

Regalian bows to tenants' pressure

Leading property developer Regalian could be poised to withdraw from the bidding in Westminster City Council's controversial scheme to privatise Walerton and Elgin housing estates in Paddington. This emerged following talks in London between representatives of the tenants action group and Regalian.

After the meeting, tenants' spokesman Jonathan Rosenberg said they had secured an assurance that Regalian could not be involved if people were forced to move. A written undertaking was not provided but tenants claim to have tape recordings of crucial points in the discussions.

They say that the developers stand to lose a potential profit of £8m if they do walk away from the barter scheme. Mr Simon Hill, who spoke to the tenants group on behalf of Regalian, declined to comment to *Surveyor* except to say that his company's continued interest in the £40m deal would depend on the terms of the contract.

If Regalian does in fact withdraw from the sell-off scheme, it would be a further embarrassment for West-

minster Council which has been under constant attack from this particularly vigorous group of tenants.

The council is due to discuss the scheme later this week.

The tenants action group are now waiting to see what Westminster Council's next move will be. There are two other developers besides Regalian known to be interested in the sell-off scheme — Y J Lovell and Ideal Homes.

If Lovell becomes more deeply involved in negotiations with the council, Jonathan Rosenberg says the tenants will attempt to embarrass the council still further by highlighting the connection between the council's deputy leader, David Weeks, who is managing director of PROBE, the private sector urban renewal body which was launched last year by Lovell.

Mr Weeks is also a former chairman of Westminster's housing committee which planned the sell-off of council houses. Coincidentally, Lovell has just announced its decision to give the operations of PROBE a higher profile and to manage it as a more independent organisation. Alan Godwin

Westminster have also employed a firm of solicitors — Oppenheimers — to provide legal advice on the scheme at a cost of £200,000. WEAG exposed how the solicitor who worked on the scheme had only just joined the firm, and had been doing the same job when he was employed by Westminster Council!

In April 1987, Westminster Housing Committee agreed to go ahead with the PMI Barter scheme and to move out as many of the tenants as possible. The scheme meant the sale of a tower block and half of the houses — with a profit of

£6m for the developer. Tenants disrupted the meeting and Labour Councillors were ordered to stop displaying the 50' long petition against the proposals, containing the signatures of over 1100 residents.

COACH ATTACK

Six potential developers were identified by PMI for the Walerton & Elgin estates barter scheme. The Action Group decided to bombard the six developers with letters, phonecalls and publicity. They embarked on a series of raids to knock out each company. A coachload of residents armed with placards, posters, leaflets, songs and musicians and cameras, would invade the company's offices and demand that the company withdraw from the scheme.

After such a raid at their Mayfair offices, Regalian Property Developers agreed to meet WEAG. Lee Goldstone a Director of the company and son of its founder, agreed "that he would sit down with the tenants and discuss how their estates could be redeveloped. If they could not come to an arrangement satisfactory to both sides, his company would withdraw from the negotiations". After a similar raid, Lovell Urban Renewal also agreed to respect the wishes of the residents and refuse to bid.

WEAG's Campaign delayed the scheme going out to tender until May 1988, by which time the scheme was so complicated the tender documents were a foot thick, and Regalian estimated it would cost them £5,000 just to read them! Despite extending the tender period for two months, none of the six developers submitted bids.

By September 1988, there was deadlock. The estates were intact, and local people had been rehoused in the modernised homes. The Council had had to recognise that the barter scheme was unworkable because it relied on moving large numbers of people against their will.

None of the developers had tendered for the scheme. And the new one being drawn up had to leave out all the tenanted houses, and only sell the tower blocks. PMI reported to the Council "with regret" that only one developer was now interested in the new scheme. "It is also clear" they stated "that in the case of all but one of the prospective tenderers the potential threat of disturbance and bad publicity emanating from the activities of WEAG has been considered a serious risk". The Council would have to proceed with the only developer left — Harp.

WEAG had begun to plan what to do when the barter schemes collapsed. The Council had spent three years trying to sell off the estates. They had been moving people out so that one third of the homes — 325 in all — were kept empty. Many had been vandalised by the Council to keep out squatters. 35 houses were empty and could be sold at any time. WEAG felt that there would eventually come a time when there were too few people defending too many properties.

BEATING THE BILL

The Action Group began to investigate whether there was any way that the community could get control of the estates away from the Council. But any such scheme needed the co-operation of the Council — and Westminster would never agree.

Ironically, Part IV of the new Tory Housing Bill looked as if it might mean that tenants could both buy the property and do the repairs in the face of Westminster's opposition. WEAG started to investigate how it could be done, and called a residents meeting to discuss it. The decision was to go ahead and form a private company of the residents which could "bid" for the estate using the *Pick a Tenant* procedure in the new Bill.

The 1988 Housing Act was not designed to apply to situations like the Walerton & Elgin estates. It gives rights to private landlords to acquire stock very cheaply from Labour authorities. Its main assumption is that such councils will oppose the sale and so the procedure for transfer is weighted in favour of the "applicant" landlord. This is the case with Westminster — but the difference is that it is the Council trying to sell off and privatise the estates, while the new landlord is the residents trying to save their homes.



WEAG started to visit every household to find out what their views of the plan were. 70% of the households have signed up as members of the new company — Walerton and Elgin Community Homes Ltd (WECH). In December 1988 over 100 members of WECH attended a meeting to launch the company and elect a steering committee. **WECH Ltd has become the first Approved Landlord and formally applied to buy the estates.** The process will probably take another 18 months

£30M DOWRY?

WECH and a local Housing Association, Paddington Churches HA, have estimated that because of the bad state of repairs and the neglect over the last three years, Westminster will have to pay a dowry of around £30 million to the residents and WECH to bring them up to standard.

Setting up WECH and deciding to try and take over the estates has been a big decision for the residents. Throughout the three years campaign, the question was "how do we provide decent low cost homes for, and accountable to, the local community". The answer is council housing — or at least it was. In Westminster, this is no longer a realistic argument. The only way that the residents feel they can stop their community being broken up and sold off is take it over themselves.

It has taken enormous amounts of work and expert help from Paddington Churches HA. The process is extremely complicated and had strained even the resources of WEAG. It's not a course that WEAG recommends to other tenants campaigns unless there is really no alternative, and they have access to substantial additional resources to set it up correctly.

WEAG have had tremendous success in beating off some of the sharpest developers in the country and taking on one of the most rabid Tory councils. Their story contains key lessons for us all.

THE LESSONS**The People**

- They organise from the ground up, rather than relying on formal bureaucratic structures. Monthly "supporters" meetings are held for all members, the notice for which is distributed to 200+ homes. This allows as many residents as possible to get involved. The Action Group does not have very formal structures, but concentrate on lots of doorknocking and on organising events and actions that everyone can join in. Their "representativeness" is shown by the turnout at meetings and events, as well as signatures on petitions.

- They produce a 4-sided newsletter every two months with special editions for urgent news which is distributed to every home on the two estates. This contains news, photos, cartoons, and reprinted newspaper articles.

- A lot of WEAG's most active members are women pensioners — so transport is always provided, especially for evening meetings and visits to the Housing Committee.

- Petitions have been collected to prove the widespread support for WEAG's

position. Going door to door to get signatures is an opportunity to meet all the residents, explain what is going on and invite them to a future event. A 50 foot long petition has also made good publicity photographs, as well as making the Council Committee Meeting feel uncomfortable having to discuss the sale of the estate when 90% of the residents involved had signed in protest.

- They go to all Housing Committee meetings whether or not their estates are on the agenda. Council meetings have had to be moved around the Town Hall and even held in secret. And it keeps the Opposition Councillors on their toes

- They challenge the council's reasons for their policies. A Show Home found itself the site of a public meeting of the people looking around: WEAG found that most of the potential buyers would have preferred to rent, but could not find anywhere. This was good propaganda against the Council's version of 'housing need'.

- They have got very good links for information and leaked documents within the council. A Councillor once stormed out of a meeting because WEAG had a copy of a council paper before she had seen it.

- WEAG have been lucky to have had a number of grants to pay for a coordinator, publicity, transport, newsletter etc. But the main resource they have had is the persistence and determination of a large number of local people who are not giving up.

Walterton & Elgin Action Group

BALANCE AFTER 3 YEARS

Tenants Rehoused	200
Homes in Repair	35
New Homes	25
Developers Beaten	6
Chairs of Housing	4
Homes Sold Off	0

The Press and Publicity

Journalists and Photographers have to be "bribed" to cover a story by being given events that can be written up in a way that their editors will like: i.e. good photographs, events that sum up what the

**MADCAP BARTER SCHEME
A JOKE SAY DEVELOPERS**

Wates Builders have joined the other 2 developers who have returned the invitation for the PMI Barter Scheme. They have refused even to consider the deal.

Regalian said they would not waste £5000 by even reading the Scheme. Lovell said they were "stunned" by the invitation. Wates described it as "horrendous".

With 3 down, there are only 2 developers left. This is not enough for the Scheme to even begin. The Council needs at least 3 bids for the Scheme to be legal. Now, it is not even worth the 2 remaining developers even thinking about the deal. We say to them "Don't!"

The PMI Barter Scheme has taken 18 months and over £1/2 million to get nowhere. We always warned that it would fail, and now we have been proved right. Below are the phone numbers of those still involved in the dead duck deal. We say "Stop wasting our time and money!"

PMI - Mr. Hammond - 897 1121
Harp - Mr. Adams - 0322 65522
Ideal - Mr. Denman - 04862 76155

WEAG were trying to say, a good turnout of people. And most important an immediate piece of (new) information that they can hang a story on.

- Journalists and researchers will need to have the full story explained — ring them and make the time to talk to them: be sure you know what you want the programme to say.

Make sure you are visible locally too. Posters stuck up in everyone's windows and flyposted on walls and empty houses look good and remind everyone what's going on. WEAG painted slogans on the tops of the tower blocks, hung banners across the street.

WEAG printed 4000 postcards: "We are a little worried about our landlord" with the Iron Man wearing a Westminster badge. It resulted in legal threats from the Council with the result is that it has universally become the symbol of Westminster Council and the WEAG campaign.

Direct Action

Direct action is a vital part of any campaign. It gives strength to those involved and demoralises the enemy. It can be fun. It should involve everybody. And it may well be the only way left to you.

- **Pick your target:**

For instance: The Council, the Housing Committee, Councillors, The Town Hall, private companies, developers, consultants, housing association offices and meetings, the Housing Corporation. The Government, MPs, Government offices, Party HQs etc.

- **Plan your means:**

Picket events such as seminars, exhibitions, conferences, public appearances etc. Go and speak to

Meetings, Company AGMs etc with lots of supporters. Find out their office locations, phone numbers, home addresses, other business interests

Direct Action needs careful planning and preparation. Mobilise the residents by leaflets and by visiting; you will need to visit at least twice as many people as you need.

Arrange transport. Make sure there are banners, posters, loudhailer, music etc. Make sure the Press are coming — TV, photographers, journalists. But build up a list of press who can be trusted not to leak your plans to the enemy. Discipline and surprise are absolutely essential.

The Enemy

Right at the beginning, WEAG realised they had a better chance of influencing the developers than the Council. Private companies are very vulnerable to bad publicity and make their decisions with different criteria than a Council. Westminster Council might not care about being shown up in the press, but public reputation and respectability are very valuable to a private company. They do not like doing business in public and are uncomfortable at being associated with an unpopular policy.

WEAG have become famous for their "raids" on developers. See their Video The NO TO HATS tenants used the same tactic very successfully on the consultants employed by the DOE.

Planning a Raid:

Target the company — Soften them up with letters, phonecalls. The lack of response can then be used as an excuse to "raid" their premises with a delegation of residents to get answers to your letters. Conferences and seminars can be picketed to warn the company of the consequences of getting involved in buying your homes. Phone calls — apart from being troublesome — can provide valuable information on any deal, and on how the company is dealing with it.

Meetings can be held with the company, but only from a position of strength — e.g. after a raid, with a number of tenants, at a public meeting, after a commitment to listen to tenants point of view.

Publicity is the most important thing. But make sure that it gets back to the target company. Get wide coverage on television and radio, send them copies of press articles in local or national newspapers. Coverage in the specialist press is for the construction industry — *Construction News*, *Architects Journal*, *Building*, or the housing industry — *Roof*, *Housing* — means that other companies know about the campaign and think twice before getting involved in the first place.

The benefits of direct action are enormous — but only if it's a success! There is nothing worse than an event falling on its face in front of all those



Walterton tenants demonstrate outside Regalian offices Philip Wolmuth

journalists! And you have to show you are prepared to and capable of more such embarrassing actions, until you win.

You can gain:

- Publicity
- Bad exposure for the target company
- Possible withdrawal by company
- Builds confidence of campaign
- Experience and direct contact with the enemy.
- The enemy becoming defensive

It's possible to take a lot of direct action

without committing a criminal act. Invading the offices of a private company is trespass, so the company would have to sue you — more embarrassment and exposure — not the police. But the law is getting worse and worse — it is worth knowing your legal rights for your own planning as well as reassuring supporters. And for your defence!

The best direct action need not be illegal — often that's unnecessary and creates a diversion from the real campaign. But it must be imaginative, well organised, well supported and make a good photograph!

Westminster is determined to sell off all its council housing. The Deputy Tory Leader, Cllr David Weeks who works for the developer Lovell, and for PROBE, has said that the Council's policy is not to house those "with no economic connection with the centre of London" such as "MPs and waiters".

2. PICK A TENANT

Or how the landlord chooses you! Far from being the tenants right to "pick a landlord" the Housing Act 88 gives private "approved" landlords the go ahead to make an offer on any council estate. It can be on their own initiative, or because they have been invited in by the Housing Corporation or by individual tenants. The Council has no say whatever. It is a landlord's charter.

THE REALITY OF "OPTING OUT" FROM COUNCIL TENANCIES

Tenants who get transferred to a new landlord — whether it's a housing association or a private company, will have an assured tenancy — i.e. higher rents, reduced security of tenure, loss of rights. You cannot opt back to the Council. You will keep your right to buy. Your new landlord will not get any public money to keep the rents down or do repairs. The only "subsidy" will be if they pay a low price for the estate — and that subsidy will effectively be paid by the other council tenants.

The new landlord can say exactly which bit of the estate — homes, land, community buildings, communal gardens etc they want to buy. They have to tell the tenant what the terms of the deal are; i.e. future rent increases, how often they will go up, what plans they have for redevelopment or sale etc. The landlord has to be "approved" by the Housing Corporation to be allowed to bid.

There will be a pre-selection 'beauty contest' if there are competing landlords, organised by the Housing Corporation. There is a detailed procedure for the "pick a tenant" bid laid down in the Housing Act 1988. (Sections 96-103, Part IV)

RIGGED BALLOT

There has to be ballot on the transfer. The voting system is rigged in favour of the new landlord. Unless 51% of all tenants vote against the deal, it will go ahead, and anyone who does not vote is counted as a YES vote. There has to be a minimum 50% turnout. If you are well organised you can win the ballot.

A particular landlord can put in an offer on your estate, or any part of it as many times as the Housing Corporation allows. They can learn from the first ballot who is in favour and who is not and change their deal accordingly. Or if the tenants turn down one landlord, another can bid and the whole procedure could start again.

Empty property is transferred to the new landlord for him to let as he likes. Flats

lived in by "non-secure" tenants e.g. short life tenants, squatters, illegal sub tenants, and licensees have to be sold as part of the deal. They do not have a vote.

The local authority and all its staff are legally obliged to provide the potential landlord with all the relevant information that he wants e.g. details of tenancies, names of household etc. The new landlord has to keep the information confidential.

If a tenancy is transferred to a new landlord, any rent arrears stay as a civil debt with the council. They can still go to court to get the money back from you.

A landlord can put in a bid for an estate that is already, or includes, a tenants management co-op — they are not protected from a bid. But the new landlord cannot bid for a part of a co-op — he has to bid for all of it. And the tenants of a Management Co-op vote as a block.

The rest of the estate votes as a whole, not block by block, so it's not enough just to get your block to vote NO. It has to be everybody.

It is vital to get the Council to agree now that all approaches — or even rumours of approaches — by developers or private landlords will be passed on to the tenants and their organisations immediately they are received. See the Charter in section 11.

PROCEDURE

- An approved landlord can approach the Housing Corporation with their requirements and be put in touch with tenants on a particular estate.
- The Tenants Transfer Managers employed by the Housing Corporation will be going round promoting "opting out" and encouraging tenants to think about a change.
- Individual tenants or a Tenants Association on an estate can ask the Housing Corporation for help in "opting out".

The procedure can be divided into 6 key stages:

- The Landlord gets approval

- The pre-selection consultation period
- The formal bid
- Negotiations on the price and terms of the sale
- The Ballot
- The handover — if you lose.

This whole process could take as little as six months and as long as two or three years.

Most of the wheeling and dealing, and the tenants campaigning will go on during the pre-selection procedure, which is informal and in the hands of the Corporation. It is essential to organise as soon as you know of a threat. Do not wait until the Ballot.

APPROVAL CRITERIA

When it was obvious that few tenants were going to be conned into "choosing" a Rachman-style private landlord, the Government invented the "Social Landlord": this is what the approval process is about.

Unless a landlord is approved by the Housing Corporation they cannot bid for or take over a council estate using a Part IV "Pick a Tenant" transfer.

The criteria for "approval" are that:

1. They have to show their long-term commitment to provide rented housing for those in need.
2. They have to agree to abide by the 'tenants guarantees' on basic terms of tenancy and housing management practice.
3. They have to have housing management experience.
4. They must be "financially viable" i.e. their financial plans and policies must show that they will be able to repay the loans and balance the books.
5. They must demonstrate equality of opportunity in their policies and procedures.
6. And most importantly, they must be neither controlled or influenced by the local council.

They must also be prepared to go through the "pre selection procedure" of a Pick a Tenant bid, in order to be approved. The Housing Corporation will keep a 'public register file' of information about landlords that have been approved:

- the name of the organisation
- the area where they intend to bid for estates
- the application form they submit, which contains the names and records of those involved in the organisation

- the company or association's legal constitution
- statements of policy they made to get approval
- annual accounts
- estimated balance sheet, which is the basis of their claim to financial viability
- BUT commercially sensitive information will be kept secret.

Approved Landlords who succeed in taking over estates will have to send in annual accounts and returns on their activities. Tenants can get access to this File, or consult the SCAT/NALGO Database.

The Housing Corporation can remove a landlord's approved status, but this only means that they will not be allowed to buy any more estates. They will not lose the properties they already own!

THE TENANTS GUARANTEE?

The whole point of the assured tenancy is to reduce tenants legal rights in order to make private renting a profitable investment. Tenants campaigning against the Housing Act argued that in a "freely negotiated" tenancy between a landlord and tenant, the tenant had no bargaining powers to ensure that their rights were protected. So the Government invented the "Tenants Guarantee".

The Housing Corporation has the power to issue "The Tenants Guarantee — Guidance on Management by Registered Housing Associations" and require all approved landlords to abide by these guidelines. An approved landlord will have to sign a legal undertaking — called a Deed under seal — committing them to following the guidelines.

The National Federation of Housing Associations has a Model Tenancy Agreement which includes some of provisions in the Guidelines. But these guidelines do not contain legal rights for tenants, nor any easily enforceable obligations. They cover: terms of tenancy recommendations, allocations policies, principles of rent fixing, maintenance and repair policies, consultation and tenant involvement, information to tenants, equal opportunities responsibilities. Copies of the Tenants Guarantees can be obtained from the Housing Corporation.

It will be up to the Housing Corporation to enforce the guidelines. If the approved landlord is a registered housing association, then the Corporation can use its normal monitoring powers, withhold grants, appoint new people to the Board and a number of other powers.

If it is not a registered housing association, then the Corporation can remove their approved status.

CORPORATION'S FALSE CLAIMS?

The Corporation also claim that they could go to court and stop a landlord acting in a way that was in breach of the guidelines and the Deed under Seal — but other lawyers are not convinced that this is so, nor that it would achieve any benefit for tenants

The Corporation have said that only in "exceptional cases" will they help tenants themselves go to court and demand their rights. None of this helps tenants struggling with a landlord about day to day management issues, or how and when they use their very wide legal powers, because they cannot complain to their councillor or appeal to the Ombudsman and they have few legal rights..

An approved landlord will only need the permission of the Secretary of State in order to be able to sell off whole blocks or individual flats. If the Minister thinks that the "financial viability" of the landlord requires them to sell to raise money, then they are likely to get that permission. And the same argument will apply to rent increases.

The Tenants' Guarantee is not much more than a 'public relations' exercise to try and convince tenants they should give up their secure tenancy.

PRE-SELECTION BEAUTY CONTEST

Tenants so far have found out that they have not been offered any choice — one landlord has chosen them. And the vote was rigged against them. So a pre-

selection procedure was dreamt up. It is not in the Act. It is a only a requirement by the Housing Corporation that before a landlord is approved, they agree to go through this process.

The Housing Corporation will decide through an informal consultation (not a ballot) which of the possible landlords would be most likely to win the ballot. The list could be drawn up on the Housing Corporation's initiative or following an inquiry by one particular landlord.

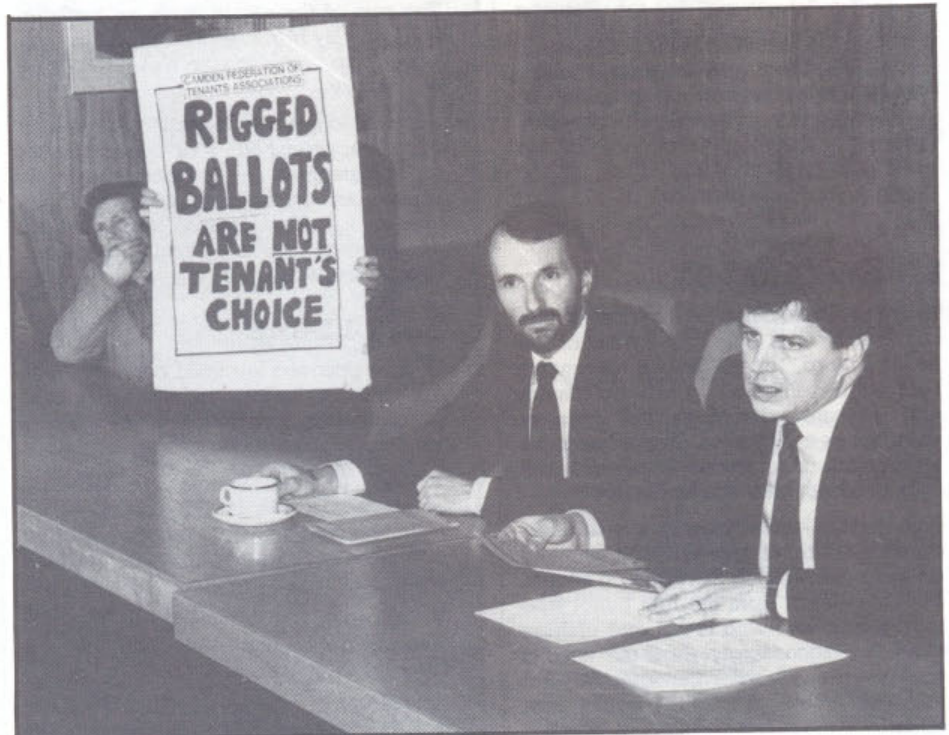
The Housing Corporation has said that unless 10% of the tenants are in favour of a transfer, then a formal bid cannot be put in. How will they count that 10%?

The Consultation document issued by the DOE "Tenants Choice" says "Only the potential applicant with the clearest support in each case would be able to go ahead with the formal transfer procedure. Where there was no significant support for any potential applicant, there would be no formal application".

Clear opposition by tenants to any sale to any landlord should stop a predatory bid at this stage. A Petition or tenants ballot to tell the Housing Corporation that your preferred landlord is the council and that you do not want any transfer at all should, in theory, halt any application — but don't rely on it! (see section 11.)

During the "beauty contest" the different competing landlords — which could include a co-op as well as a landlord will try and convince the tenants that they can improve and manage your estate in ways that they claim the Council cannot do. And that they are a "nice social landlord".

However, they will not be required by the Housing Corporation to tell you the



Housing Corporation officials face Camden tenants Andrew Wiert

important details of the deal such as rent levels, sales, tenancy rights, service charges etc. Instead you would have to judge them on "track record, management style and philosophy". Not very easy, if it's a completely new company, or it's a housing association that has never managed a big estate on privatised finances!

You will need as much information on these landlords, their finances and plans as possible to challenge the bid at this stage. They must have some idea about how the tenants are going to pay for all these improvements they are promising.

Once the formal bid process has started, with its very tight deadlines and (secret) negotiations between the Council and the landlord, it may be difficult to oppose the principle of selling the estate, and not get drawn into arguments about the detail of bid.

And remember, it's very expensive for any landlord to put the time and money into setting up these deals. They can also be scared off with bad publicity — see Walerton & Elgin (see Section 1). If they know they are going to lose the ballot, then they will withdraw.

THE FORMAL BID

The formal application by an individual or a company who wants to take over a council estate follows the pre-selection procedure. The landlord bidding should have been the clear favourite in the pre-selection procedure. And the choice should have included staying with the council.

They must decide **which property they want to buy**. It could be a whole estate or part of an estate, one block, scattered blocks or even individual houses. They can also buy the land around an estate or community or office facilities which are part of a residential block.

Flats which are part of a sheltered scheme, grouped accommodation for mentally handicapped or where special facilities are provided, and dwellings suitable for elderly people because a warden service is provided or specially suitable cannot "opt out". These are same exclusions as for the Right to Buy. Empty flats automatically go to the new landlord, if he wins the ballot.

THE RELEVANT DATE

DAY ONE APPLICANTS NOTICE: The new landlord must formally notify the council of what buildings/land they want to buy. The date of the application is known as the 'relevant date' and determines who has the right to "vote".

Within 4 weeks the council has to give the prospective landlord the names and addresses of all tenants (and others) affected. The landlord then has the right to get into empty property, and have access to "relevant" documents.

Within 12 weeks the council has to tell the landlord which flats/houses are

excluded because they are not lived in by "secure tenants" or for any other reason; which buildings should be included because the council thinks they cannot be managed or maintained separately, and other terms of the sale.

Four weeks after the council tells the new landlord the terms of the sale above, the new landlord has to say whether he accepts those terms or whether he is going to arbitration.

At the end of this phase, you will know whose home is affected. You should have made sure that no community facilities or green space is included: the landlord can sell it or build on it.

Challenge what "relevant" documents the landlord wants. You have the right to privacy — and why should the landlord know about your arrears if he is not going to be responsible for collecting them.

NOTICE OF PRICE: Within three weeks of the new landlord and the council agreeing the terms of the deal — i.e. the council's terms have been accepted by the new landlord, or else the dispute has been resolved, the council has to tell the new landlord the price of the estate.

If the landlord disputes the price, he has to notify the council within two weeks. Otherwise the price is fixed and tenants should be told.

This is the earliest that tenants have any legal right to know what is going on. It could be a year since the formal application, if all the stages take the maximum time.

Once tenants are formally told of the intended sale and the price they have got a minimum of thirteen weeks before the ballot. Of course tenants will know that a bid is being discussed and some of the details, through the pre-selection procedure. But until the price and other financial details are published, it's difficult to work out rent levels, level of service or the amount of sales and redevelopment the landlord needs to make deal viable.

Tenants should demand that their council keeps them in touch with the negotiations over which buildings and land are included. And gives them full information on the negotiations about price.

THE VOTE

Only "secure tenants" and "long leaseholders" have a "vote" for or against a private landlord. Joint tenants only have one vote between them.

Most council tenants are secure tenants. The exceptions include short life lets, licensees, or tenants of "tied accommodation". The easiest guide is that if you do not have the right to buy you are not a secure tenant. Tenants who move in after the date of the Formal application are not secure and do not have a vote.

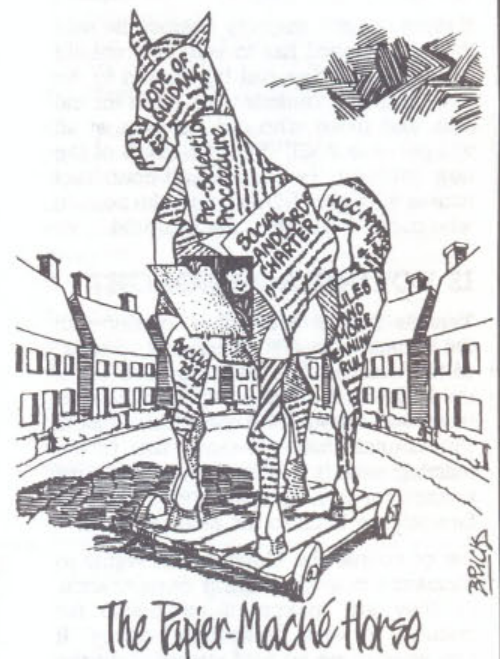
A tenant with a possession order suspended while they pay a weekly

amount off the arrears has a vote. A tenant with a court order against them and a date of possession does not have a vote. A tenant who dies during the Formal procedure no longer has a vote.

Long leaseholders are people who have bought their flat/maisonette from the council, and the freehold is still owned by the council. Tenants who are buying a flat during the attempted sell off will still have a vote.

THE CONTRACT

At the beginning of the Ballot period the landlord has seven weeks to inform all the tenants of the terms of the deal. Unless all the promises he has made during the "beauty contest" are in this document, then they are useless. What is written in this leaflet is the CONTRACT and is the only thing that you have any chance of enforcing.



The Papier-Maché Horse

THE BALLOT

The Ballot will be a postal ballot, organised by an independent organisation. It will take place over six weeks. The first three are for people to vote. The second three are for the independent tellers to follow up those who have not voted.

Unless more than 50% of all the secure tenants and leaseholders actually register a vote against the sale. Then it will go ahead. Anyone who does not vote for whatever reason e.g. they are ill or on holiday counts as a yes vote.

There has to be a minimum turnout of 50%. If less than half of all the eligible tenants do not vote at all, then the Bid fails.

Example: an estate with 100 tenants eligible to vote. 51 vote. 49 vote against

and 2 vote for the transfer. The 49 who did not vote are added to the 2 who voted for, making 51% "in favour".

The landlord has to tell the council the result of the vote within two weeks. The council then has two weeks to raise any disputes they have with the way the ballot was carried out or the results.

If the landlord loses the ballot the whole estate stays with the council. Even if he wins the ballot, the landlord does not have to go ahead. He can decide that he does not want it after all. So don't let up the pressure.

IF THE LANDLORD WINS

The Ballot has two functions:

1. To find out whether the majority of tenants are opposed to the transfer or not.
2. To find out whether individual households want to stay with the council or not.

If there is not a majority against the sale then the Council has to sell the freehold of all the flats covered by the bid to the new landlord. Tenants who voted for the sale, and those who did not vote at all will become ASSURED TENANTS of the new landlord. Tenants in self-contained houses who vote NO stay with the council who continues to own the freehold

IS VOTING NO ENOUGH?

Tenants in flats who voted to stay with the council become "leaseback tenants" of the council. The new landlord owns the building, and has to lease the flats of those who voted NO back to the council. The council then lets those flats to the existing tenants — they will stay secure council tenants. As they move out, the flats will go back to the new landlord.

But of course the Government wants to dismantle council housing departments, so they are making it expensive for councils to keep 'leaseback tenants'. If you want to be sure of staying with the council, then you have to win the ballot. Voting NO on your own is not enough!

● **Rents:** The council will have to pay the new landlord the new market rent for the flats they keep, and will have to either pay that extra cost out of the Housing Revenue Account i.e. everyone else's rents, or else the leaseback tenants will have to pay.

Although tenants who vote No could end up paying higher rents, they will still have all the rights of a secure tenant and it is harder to evict them for arrears

● **Management:** in a few years time, Councils could find themselves with a number of secure council tenants — those who voted No — living in privately owned blocks of flats — on different rents and with different landlords to negotiate with. The council can contract out the housing management to the new landlord.

WHO IS THE HOUSING CORPORATION?

The Housing Corporation is a Government quango. It is run by a Board appointed by the Government. It is paid for by the Government. It is accountable to the Government.

Who is on the Board? What do they have to offer council tenants?

The Chairman is Sir Hugh Cubitt, Director of NatWest Bank, Chair of Lombard North Central plc — a financial institution, and ex-Tory Westminster Councillor. The Chief Executive is David Edmonds, who used to work as a civil servant in the Department of the Environment, as did the Deputy Chairman, William McIndoe. Huw Lloyd Williams works for Nationwide Building Society, Mark Boleat is Chairman of the Building Societies Association, Peter Cooke works at the Bank of England. All of them connected with the "privatisers". Others on the Board are David Cochrane and Iain Dyer both involved in Housing Associations. Lady Montgomery is a partner in a travel company and Chair of a Housing Association. Stella Clarke is involved in the "self build" movement. John Richards works as a consultant with a firm of architects. The Bishop of Croydon, the Right Rev. Wilfred Wood was on the Faith in the City Commission.

The Housing Corporation was set up in 1964 to:

- officially "Register" Housing Associations and monitor their activities.
 - channel government money to housing associations to build or do up homes to let.
- Since the Housing Act 1988, they also:
- "approve" private landlords or housing associations who want to take over council housing, and monitor their activities
 - promote estate sales

They have appointed Tenants Transfer Managers whose name says it all. Their job is to promote, negotiate, and enable the sale of estates. They have no powers to help tenants who want to stay council tenants, even if they want to be a management co-op.

[Thanks to London Housing News No 15]

Council tenants 'will spurn switch to private landlords'

Alan Travis, Local Government Correspondent

ONLY 1 per cent of council tenants balloted under provisions in the Government's Housing Bill would choose a private landlord to take over their estates, opinion poll results to be published today suggest.

The poll, conducted for the

● If you try and organise a boycott but then cannot stop people voting, all those boycotting and not voting will count as a YES! You could end up as an assured tenant of the new landlord! So it's a dangerous business.

● If the turnout is not big enough, and the Bid fails there may well be another Ballot.

It is much better to campaign clearly for a NO vote. It will need a lot of work and doorknocking. Organise it like an election canvas — i.e. talk to every tenant, explaining your case, keep records of who is going to vote which way, keep records of who has voted and who needs chasing up to vote your way. (See section 11.) If you are unhappy with the way that the Ballot is being organised — publicise your complaints. Tell the Council and the MP.

- picket the independent tellers offices
- get the Housing Corporation to intervene
- as a last resort, organise your own alternative Ballot or Petition.

So the procedure is long winded, mainly thanks to opposition from inside and outside Parliament when the Housing Bill was being debated. However the long process can be turned to your advantage as you can use the time to organise. But never let up — always try to be one step ahead!

● **Capital:** It looks as if the council will lose capital money on "leaseback" flats.

STRATEGY

Some people have suggested that tenants should organise a boycott of the ballot — that means more than half of the tenants refusing to vote at all.

THIS IS DANGEROUS. DO NOT BOYCOTT THE BALLOT. The difficulties of organising a BOYCOTT are:

- The Ballot is a postal ballot over a number of weeks, so you cannot picket the polling booth or monitor who has voted and who has not.
- The Organisation running the Ballot is allowed to chase up people who have not voted — it does not matter whether they then vote YES or NO.

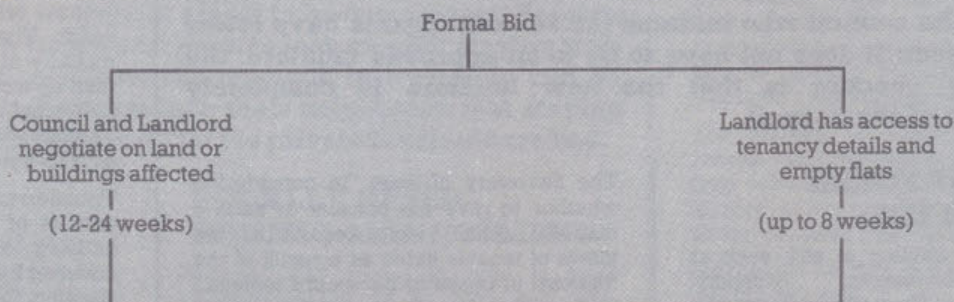
THE COMPLEX TIMETABLE FOR A BID

PRE SELECTION PERIOD

1. Housing Corporation promotes/ negotiates estate sale and landlord's apply for approval by the Housing Corporation
2. Housing Corporation decides which, if any, landlord should be allowed to put in a bid.
3. Landlord is "approved".

FORMAL BID

(as in Housing Act 1988)



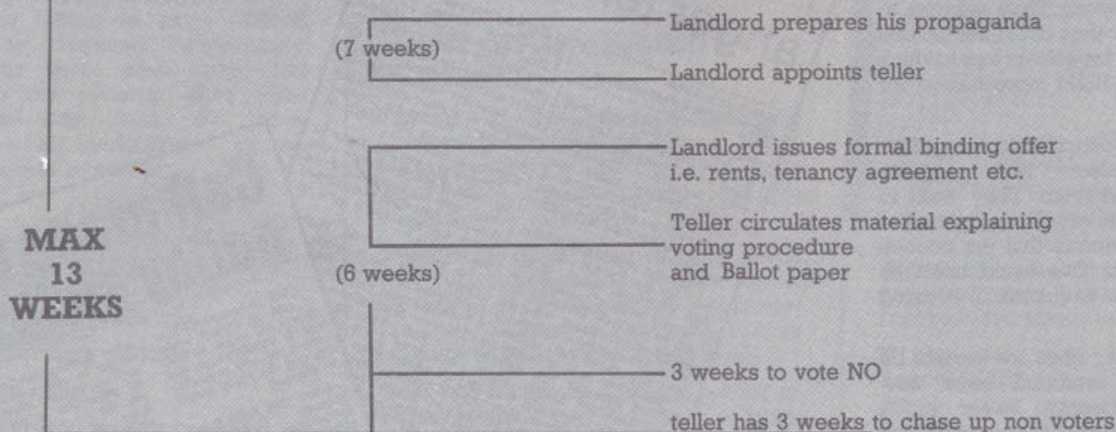
THE PRICE

(4 weeks)

(Council or landlord can appeal at all stages, independent arbitration allowed for)

CONSULTATION WITH TENANTS

Consultation and Ballot Process



THE RESULT

3. COUNCIL COP OUTS

THE SO CALLED VOLUNTARY TRANSFERS

Councils can sell off estates or even their whole housing stock with the tenants still living there. These so-called "voluntary transfers" are a far bigger immediate threat to tenants than the "pick a landlord" bids under the 1988 Housing Act.

When it is the council who initiates the sell-off, tenants have fewer rights to object. It does not have to be to an approved landlord: the DOE's only concern is that the new landlord is completely independent of the council.

DIFFERENT FORMS OF TRANSFERS

Most councils wanting to sell, such as Chilterns, Sevenoaks, Salisbury, Rochford District Councils, have set up a special housing association to take over the housing. This has usually been done with the active involvement and encouragement of senior council officers and the Director of Housing. Its basically a "management buy out".

Crouch Valley Housing Association Ltd was set up by Rochford Council Chief Executive, the Board was appointed by him and the Director of Housing was going to run the Housing Association.

In Gloucester and Torbay, existing predatory housing associations tried to buy the housing stock. They wanted to buy the housing, so they could use tenants homes as security for private loans, which they could use to build more homes for sale or rent

Waltham Forest Council have set up four private companies, with tenants representatives on them. They want to sell off four estates, which are in need of major structural repairs that the council cannot afford to do. This would mean the loss of 17% of the total council housing in the Borough.

A voluntary transfer does not have to be to an approved landlord, so a new company like Quality Street or a completely new association with no record of housing management can buy the stock.

Council sell offs, or "voluntary transfers" as they are known take place under the Housing & Planning Act 1986. They have to have the permission of the Secretary of State for the Environment. The DOE issued regulations called "Large Scale Voluntary Transfers" in June 1988, and they also have rules about the price of the transfer, and the way in which the council can use the money.

The Secretary of State "in considering whether to give his consent to such a disposal... (shall) have regard to the views of tenants liable as a result of the disposal to cease to be secure tenants". He "shall not give his consent if it appears to him that a majority of the tenants of the dwelling houses to which the application relates do not wish the disposal to proceed (Housing & Planning Act 1986).

TENANTS WIN

So far this has meant that tenants have been balloted. There are no clear regulations, but every ballot so far has been on a simple majority basis except Torbay which was conducted on a "rigged" basis and later overturned by Ridley himself. Tenants are winning these campaigns — 7 won, 3 lost — by the end of May 1989 so they may change the rules soon. A Petition of 50%+ to Parliament should still stop the sale.

A Voluntary Transfer Ballot is on a "winner takes all" basis, like the HATs Ballot. That means that if there is a majority of tenants in favour of transfer, then all tenants are sold off. There is no individual right to stay with the Council. Tenants who do not vote are not counted as YES votes.

Transferred tenants will be assured tenants of the new private landlord or housing association. They are NOT covered by the Tenants Guarantee or the Housing Corporation approved landlord process. Only if the new landlord is a registered housing association, does the Housing Corporation have any powers to intervene.

Most of the Councils pushing these transfers are Tory District Councils in the South East. They supported the Government policies of privatising housing, but now with spiralling house prices and a housing shortage they are worried about the loss of stock through right to buy. While transferred tenants keep their right to buy, new tenants and any new homes built do not have the right to buy.

Polling reformers anger tenants

Alan Travis, Local Government Correspondent

DEMONSTRATORS will be outside the London headquarters of the 100-year-old Electoral Reform Society today protesting at its role in running tenant ballots on private council housing to private landlords.

They are concerned about the use by Torbay, Devon, and Rochford, Essex, of the "inertia selling" voting system in the new Housing Act under which those who abstain are assumed not to oppose the sale of their homes.

There has been a flurry of letters between the council and Rochford district council, where the result will be declared tomorrow, over the wording of a warning on the ballot paper about not voting. The council's chief executive had wanted to say that abstention would be interpreted as a vote in favour of the sale.

Mr Owen Thomas, director of the society, said the problem was a current lack of rules. "It is not even obligatory to have a ballot. The emphasis is on the Secretary of State deciding whether there is a majority opposed to the change. It is absolutely silent on how it should be carried out. We are in the hands of each council."

"There is a certain logic to say that if people do not vote they are not opposed to transfer, but that is different from saying they are in favour of it."

In retrospect, he thinks there could have been improvements in the way Torbay ballot, the first of the new regulations, was organised. The sale of 5,200 homes is to go ahead after the council has supported the sale of 2,209 properties.

Mr Thomas said the Housing Corporation Development Council or a housing association as their future landlord following the wind-up of the corporation next September.

In the ballot 4,953 tenants voted for the council City housing association.

Keith Luckey, chairman of the association, said the Government ought to change its mind. It should

Call made for policy switch

THE Government's plan to split up council house estates has failed its first test in Peterborough and now a top city councillor has said the policy should be changed.

More than 6,300 Peterborough tenants were given the chance to choose either Peterborough City Council or a housing association as their future landlord following the wind-up of the corporation next September.

In the ballot 4,953 tenants voted for the council City housing association.

Keith Luckey, chairman of the association, said the Government ought to change its mind. It should

CONTAINED

The Government's plan to break up council house estates is contained in the Housing Bill now going through Parliament and the chance for the policy to be tested.

New Towns Minister Marion Roe said she was satisfied at the result of the ballot and said "a significant number of tenants preferred the housing associations".

allow housing associations to get on with providing new housing and allow local authorities to get on with the job it has always done in Peterborough which tenants think we are doing rather well."

LABOUR SALE?

But Waltham Forest is the first example of a Labour Council deciding to sell off tenanted homes, using the "voluntary transfer". Their argument is that they will not be able to get any money from the Government to do the repairs, and that after the new housing finance regulations are brought in, tenants will have to pay much higher rents with no improvements in service. They argue that it is better to sell off the estate and raise private money for repairs.

The Tenants Federation has argued:

- 1 in 5 homes would have to be sold to owner occupiers.
- Rent increases would be at least £15 p.w. and probably more like £27 p.w.
- All other tenants would have to pay an extra £10 p.w. to finance the scheme.
- There will be 3000 less homes, leading to added costs of Bed & Breakfast hotels for the homeless, and longer waiting lists.
- No-one knows yet exactly what effects the housing finance changes will have.
- There is no guarantee that a private company owning housing in such bad condition would be able to raise any loans at all!

"A GENUINE solution can only come about if tenants defeat the Governments privatisation plans and force the Government into investing more money in council housing. THERE IS NO OTHER WAY!" (Waltham Forest Fed Broadsheet)

CAMPAIGNING AGAINST VOLUNTARY TRANSFERS

Wherever tenants have understood the real consequences and reasoning behind the voluntary transfer, and there has been a local campaign against the transfer, tenants have won the Ballot:

- **Torbay** — in a rigged ballot, only 787 tenants voted for sell off to two local housing associations. 2210 voted NO but the 3329 who did not vote at all meant that the combined vote of those "not opposed" was more than 50%. The DOE refused permission for the transfer on that ballot result, and the Council decided to drop the whole idea.
 - **Salisbury** tenants had a 75% majority against Chequer HA.
 - **Arun** tenants in co-operation with the local NALGO branch won a 62% majority against Arun Homes
 - **Rochford** tenants voted 2224 to 180 against sell off.
 - **Three Rivers** 75.5% tenants voted against.
 - In **Chilterns, Sevenoaks and West Berkshire** there was no tenants campaign, and tenants voted for transfer.
- Large numbers of councils have considered setting up a council sponsored housing association and decided it was not in tenants or in local residents interests.

NOT IN YOUR INTERESTS

So far not a single local council planning such a transfer has

- consulted their tenants before paying consultants to do feasibility studies.
- given tenants all the information about the implications for their tenancy.
- offered any alternatives to sell off
- given access to independent advice

Voluntary transfers do not 'defeat' the Housing Act — the terms of the transfers are determined by the Act and are completely in line with Government policy. **The effects on the tenants are the same as if a predatory landlord had bought the estate — but they have fewer rights to oppose it.**

They do not keep out private landlords. Housing associations are themselves being turned into private landlords. There are no subsidies or grants for these transfers, the new landlord has to borrow to buy the estate and to do any major repairs. It would have to be "self financing" immediately.

Any new building will have to be on a commercial basis. So the new rents will be very high. But since it is existing tenants who will have to foot the bill for the new building, their rents will have to go up too.

- The DOE will only allow transfer if the new landlord is independent of the council.

- No more than 20% of the Board can be councillors or council Officers. The council cannot manage or maintain the homes on behalf of the landlord
- The council cannot nominate tenants.
- If the transfer leaves the council with no housing, they cannot keep a Waiting List or any measure of housing need in the area.
- Although the council still have legal obligations for the homeless, they would have to make a "contract" with the new landlord to house the homeless. This is the privatisation of homelessness.

Selling off all the council housing in an area will have implications for the whole community, not just the existing tenants. Where will young people live in the future? What about people who want to rent a home when their marriage breaks up, or who need sheltered housing?

Any new housing built will be for sale, or let on high market rents — so how can it be affordable to local people in housing need?

JOB LOSS

One of the conditions of the transfer is that council officers are not guaranteed jobs in the new housing association: they will have discretion whether to employ you or not. The transfer will mean a loss of jobs for housing managers, caretakers, estate cleaning staff, grounds maintenance, the Direct Labour

Organisation and wardens. It will also mean job losses in central support services such as finance, personnel, legal, architects etc.

Even if you do get a job, you will be working in effect for a privatised landlord, which will change the nature of your job. Depending on which housing association you work for it could mean performance related pay, loss of secure job and promotion opportunities and bigger differentials. And you will be outside national pay and conditions.

Tenants reject housing switch

Alan Travis
and Martin Wainwright

TENANTS in Salisbury, Wiltshire, yesterday overwhelmingly rejected plans to transfer their 7,800 homes to a housing association set up by council officials.

Tenants of the Conservative-controlled council voted by 45% to 1,487 against transfer of the council's entire housing stock to a housing association.

visiting six housing associations for talks about developing council land.

The first successful transfer of a council's municipal housing took place last week in Chiltern, where the entire housing department is transferring to the Chiltern Hundreds Housing Association.

In Leeds, council tenants on a pioneering garden suburb estate have set up their own housing association to support the council's transfer of the estate.

TESTING THEIR CLAIMS

All the councils promoting voluntary transfers claim to be protecting their tenants. Either it is to "protect" their tenants from predatory landlords using the Housing Act to break up the stock. Or it is to "protect" their tenants from council rent increases following the Housing Finance changes. Or "there is no alternative" way of getting major repairs done. Tenants will have to judge these claims for themselves!

Tenants will need access to all the financial and legal information that they need to judge these transfers. Demand access to the consultants studies and all their calculations. But as it is the council who has the facts, and is behind the transfer, it is often very difficult to get the facts you need.

Contact with the Unions or Councillors may get you Committee papers and background figures. The SCAT/NALGO Database may be able to help as the consultants often use the same financial models over and over again.

When you do get the papers, you may need help to make sense of the figures. But they will tell you:

- how they are calculating the price of the sell off.
- how they calculate the rents.
- will your services be cut e.g. repairs, cleaning, gardens, housing advice.
- will you be paying service charges?
- are they relying on selling homes off, or land?
- how much do they expect to spend on modernisation, and will rents go up to pay for it?

GLOUCESTER TENANTS FIGHT SALE

The first Gloucester tenants heard about being sold off was when they read it in the local paper. Gloucester Council were having secret discussions with North Housing Association which is based in Newcastle.

The Gloucester Tenants Federation fought the Council plans. Their Petition had signatures of more than half the tenants. The local paper "Western Daily Press" did an opinion poll, showing 88% against and only 3% for. The plan was dropped after the Tories lost control of the Council following a by-election at which the sell-off was the major issue.

How did Gloucester Tenants fight their campaign?

● Contacting other tenants

They went to meet other tenants groups fighting voluntary transfers — and learnt from them, shared information and expertise, used each others leaflets etc.

Instead of a council sponsored trip to see North Housing tenants, they organised a trip with Newcastle Tenants Federation. When they came back they made an exhibition of photographs to show Gloucester tenants how bad North Housing is as a landlord. They joined the *NO TO HATS* demonstration at Ridley's house in Gloucestershire.

● Using the Press

When the Council held a secret Press Conference, the tenants held an alternative one on the same day, to counter the Council's version. Their best friends have been the local press — they have had lots of local coverage putting the tenants side, and exposing the Council's lies. They have put on publicity events especially for the press to cover.

● Challenging the Council's arguments

The Council's leaflet promoting the sell off was sent to the Ombudsman because it was untrue. The Law Centre helped the tenants get barristers advice on promises being made by North Housing Association.

The Federation have had good contacts within the Town Hall, and used them to expose the lies, get information and get prior warning about events planned by the Council.

Estate meetings have been held to challenge the council information and consultation exercise. Information from the tenants has undermined the Housing Departments arguments. They issued a Newsletter for all tenants.

Federation members and activists have gone round to meet as many people as possible — tenants groups, the press, community and voluntary organisations etc etc. Apart from the information you give out, it is important to because the Council will smear you, call you scaremongers, bullyboys, outsiders, rent a mob, rabble etc etc. They will say that it is not "real" tenants who are opposed. So you have to go round showing that you are just ordinary tenants who know what you are talking about.

● Political pressure

They have written to MPs and councillors locally and in the North East and Newcastle where North HA has lots of houses who have been very supportive. When the tenants went to Newcastle, they met the Chair of Housing and other councillors.

They attended all Housing Committee Meetings, and organised protests. They made good use of the councillors accountability — went to their surgeries, wrote to them etc.

Don't let them say there is no alternative. They have demanded that the Council consider all the different options. The Federation had to convince tenants that they could win against North HA, and that things can improve.

■ who are they borrowing their money off, and which companies are they connected with?

■ get advice about the level of inflation, interest rates and construction cost figures. Waltham Forest assumed inflation at 6% when it was already 8%. That meant an extra £4 p.w. rent increase.

Tenants should ask about the policies of the new landlord:

■ Who are they and why do they want to buy up your home?

■ where does their money come from?

■ what is their record as a landlord?

■ what arrangements will they make for people now on the waiting list?

■ how many homeless people will they house?

■ what will their allocations policy be?

■ how will they consult with tenants?

Tenants should see the proposed "Tenancy Agreement"

■ How does it compare to your current tenancy agreement?

■ What arrangements does it have for rent increases?

■ How many successions does it offer?

■ What arrangements does it make for people who have problems paying rent or who should be claiming housing benefit?

4 HOUSING (less!) ACTION (no!) TRUSTS (never!)

The **NO TO HATS** campaign was the first victory of the Housing Act. The tenants forced the Government to allow a Ballot before a HAT was imposed. And now it looks as if they could defeat the whole idea of HATs as the Government planned them.

The NO TO HATS CAMPAIGN

The Government originally announced six areas where they were proposing to set up HATs: Leeds, Sunderland, Sandwell, Southwark, Tower Hamlets and Lambeth. Eighteen estates and 25,000 tenants were affected.

The announcement was greeted with outrage and determined opposition by all the tenants group: the raids on the consultants' offices, meetings of a 1000 tenants, demonstrations against Government ministers were successful.

When the consultants reports were published, the Government announced that only nine estates would be HATted. And the money available was to be increased from £192m to £352m but spread over eight years. Tenants are still confident that they can win the ballots and defeat the HATs altogether.

SOCIAL MIX

HATs are explained in detail below, but the background to their birth needs explanation. Housing Action Trusts are as much about transforming inner city areas, and 'social engineering' as they are about privatising housing.

They are modelled on the Urban Development Corporations, such as Docklands in London. Instead of the Government spending money in inner cities to create jobs and build new homes, they try to attract private investors by making the inner cities profitable. Grants, cheap land, removing planning restrictions on development, tax incentives etc guarantee big profits for developers.

But this policy does not benefit local residents: they get driven out of their homes and they do not get the new jobs. HATs campaigners only had to look at Docklands to see what was in store for them.

"The Government seems to believe that our communities are deprived and our homes run down, not because they have chosen to starve us of cash — but

because there are excessive concentrations of poor people living here. In other words they think we are the problem" *The Tenants View*, by HATTAG, the Tower Hamlets tenants campaign.

The first six HATs were not on the worst estates, they were in areas where privatised housing would be saleable. In inner London with a shortage of land for building, taking over other peoples homes is the only way to make space for yuppies. The HAT estates were just down the road from the Nissan factory in Sunderland, and the new Birmingham Heartlands Urban Development Corporation in Sandwell. In both areas, economic expansion needed private housing for the new workers.

Although the Government claimed the HAT would do up the homes for tenants, the consultants' documents showed the true plans.

WHAT IS A HAT?

The Housing Act 1988 gives the Government the power to set up HATS and hand over large areas of council housing — and the tenants who live in it — to Boards of appointed businessmen and local worthies. The Housing Action Trust's job is to do up the housing and sell it off to private landlords, developers, housing associations or co-ops.

A Board of between 7 and 13 businessmen, and housing management experts will be appointed by the DOE. The Board need not include local people. They will receive their orders from the DOE and they can be sacked by the DOE.

The criteria for an area that a HAT will be set up in is:

- the "balance" of owner occupiers and tenants
- the physical condition and design of the housing, and the need for repairs and improvement
- the way in which the council manages its housing
- the living and social conditions and general environment



Either at the end of the HAT or during the HAT, a HAT can sell off homes, with only minimum consultation with the tenants. Tenants cannot veto a new landlord, and would lose their secure tenancy.

A HAT can force you to move from your home to another one either in or out of the HAT area, so they can demolish it or sell it to a developer. A HAT can encourage a "pick a tenant" bid by an approved landlord, or a co-op.

A HAT can hand over the day to day management of the housing to another body, and tenants do not have the right of council tenants to veto that arrangement

When the improvements are finished, the HAT will be wound up. This could be between 5 and 10 years. The HAT will sell off all housing it still owns. Tenants will only be able to return to the council, if the council agrees and can afford to buy the estate back. As the cost would come out of the council's HIPs money, and the estate would be sold back to them at the market price, that seems unlikely.

Tenants will remain "secure tenants" while they are tenants of a HAT — but it will be like being the tenant of Westminster City Council, where the main aim is to sell off homes.

ALL POWERFUL HAT

The HAT will have all the powers of a local council housing department, with none of the accountability or responsibility. They will set the rents, act on arrears, make lettings, evict or decant tenants, do repairs and be responsible for all the housing management and maintenance on the estate. Yet they will

have no obligations to house the homeless or people on the waiting list

Rents will rise in line council rents. If improvements are needed, rents are frozen until they are completed, and will then go up too.

HATs will take over all the buildings — tenants homes, empty blocks, community centres etc, plus any land, gardens or estate roads. HATs will have extensive planning powers e.g. change of use, nature of new buildings, compulsory purchase powers over any privately owned homes or buildings in the HAT areas, highways and sewage powers, and any statutory controls over private landlords e.g. overcrowding. HATs will have powers to set up employment projects, and let workshops for small businesses.

When a HAT takes over, then all the local authority workers serving that area would lose their jobs. The Government specifically said that there are no guarantees that those workers will be taken on by the HAT.

LOSE REPAIRS RIGHTS

Tenants of a HAT are not covered by the S11 Housing Act 1985 repairing obligations, unlike council tenants. They only have the same rights to repairs as a "short-life" tenant. And the public health/environmental health powers on overcrowding etc. are in the hands of the HAT Board.

As a HAT could last for ten years, tenants could end up living in terrible conditions, with no legal rights to repair.

SETTING UP A HAT

The Secretary of State for the Environment must consult with the Council before "designating" a HAT area.

The tenants will be balloted using the 'normal' method, i.e. the result depends on a simple majority of those voting. If a majority vote for a HAT, then all the homes in the HAT area are handed over. This is not the same as a 'Pick a tenant' ballot when those that vote NO can stay with the council, or where those that don't vote count as YES votes.

A HAT must publish and consult over its proposals for the area and consider any comments made. It must get DOE approval of its plans.

The HAT has to hold its meetings in public just like a Council, but is not covered by the Access to Information Act. They will also be able to have confidential parts of the Agenda.

NO TO HATS

1. Fight them from the beginning. There has to be a Ballot of tenants, and so they need to convince you and your neighbours.

2. Challenge them on the reasons for picking your estate. Why have they

picked your estate? Halton Moor tenants in Leeds and the Tower Hamlets tenants produced Reports challenging every argument that the Government and the Consultants were putting forward.

3. Expose how the HAT will work. How much money will it have? How much is needed to be spent on your estate? Which blocks or homes will they sell off? Who are the potential landlords? How will they pay for all the improvements planned?

4. "The money but not the HAT". If they agree that your estate needs money spent on it, then they should provide that money. Don't let them threaten that unless you agree to the HAT you will get no money.

5. Work on alternatives. Hulme Tenants fought off a HAT. They had a Charter of demands as a basis for all their

campaigning and discussions with the DOE and Manchester City Council.

HOW WILL A HAT WORK?

A HAT will not have enough government money to do all the work needed. So it has to sell estates and land to raise sufficient money, as well as increase rents to pay for improvements.

A HAT will have an initial budget to do environmental and other improvements in the area e.g. demolish walkways, improve roads access. They will decant tenants, and move them to different homes in the HAT. They can then either sell their homes and use the money for improvements on other blocks, or do up that estate and move tenants back in. Modernised or repaired flats would be re-let at much higher rents, either by the HAT or by a new landlord on assured



Brixton tenants organise against HATS Philip Wolmuth

tenancies. New people will be encouraged to move into the area, buying homes or on high rent basis. Right to buy will be encouraged.

The HAT would financially "succeed" by getting back its initial investment, by selling the improved properties on to new landlords or back to the council, and from increased income from right to buy sales.

CASH WITH STRINGS

The Government is not willing to put up enough money to really improve the housing for the local residents. The Tower Hamlets consultants' report said that the HAT would only work if it had either, more land to build 1000+ homes on, or access to low rent housing, and £201m to spend. They identified the major problem as overcrowding and a desperate shortage of low rent housing. The Government was not prepared to come up with enough money, nor was it willing to provide land: Docklands had taken over most of the available land in Tower Hamlets for private homes and offices.

The tenants' campaign defeated the HAT, but that is only the beginning. The Tower Hamlets tenants report says "... we do not believe that a HAT will provide a solution to the problems that we face ... But that does not mean we are willing to be simply forgotten ...". They demanded that the DOE give the local council and the tenants the money needed. "It will then be possible for the tenants in partnership with the Council and the DOE to plan for the improvements to our homes that we need."

CONSULTANTS CHASED OFF

The DOE employed consultants to study the six HAT areas.

- tenants chased them off the estates and out of their meetings.
- raided their offices to "tell them their views on HATs".
- acquired copies of the documents submitted by one firm of consultants, and exposed their lack of independence.
- found the consultants were clearly not happy to be risking so much bad publicity.
- one of the consultants employed MORI polls to find out tenants views: they offered £10 to tenants to co-operate. But tenants picketed the meetings and got press coverage for the bribery tactics.

Their reports confess that they had virtually no contact with and no information from tenants. They all recommend that the HATs will not succeed unless tenants can be persuaded to "get involved". Tenants on the estates still being HATted are now under pressure to co-operate with the HAT and the consultants and help draw up plans that tenants will vote for in the Ballots.

GOVERNMENT SUFFERS

The Government had a bad time too:

- Government Ministers visited estates secretly and were met with angry demonstrations.
- Government Ministers were invited to meetings of tenants. In Tower Hamlets over 1000 tenants turned up and gave David Trippier a very rough time.
- Lambeth tenants stormed out of a meeting with Nicholas Ridley because they were not being listened to.
- Tenants demonstrated outside the DOE offices, and handed in petitions.
- Tenants visited the Tory Party Conference and held a Press Conference
- Tenants visited Ridley's home in rural Gloucestershire to declare it a HAT. Luckily it's not a rigged ballot for a HAT so the fact that he was not there to vote did not go against him!

FIGHT NOW WITH THE TENANTS ASSOCIATIONS
FLATTEN THAT



Don't let them take us over

HATS - A STRATEGY

This strategy is based on one drawn up at the Tenants training Weekend on HATS in April 1988 — i.e. before the first six were announced and before the Ballot was won, with lessons from the HATs campaigns so far. The Government is still changing the rules, so this strategy has to be changing all the time too!

"Pre Designation" i.e. before the DOE decides which areas to HAT.

OFFICIAL ACTION	TENANTS ACTION
DOE consider designation - appoints consultants Consultant's job to (i) provide evidence that HAT legally justified within Housing Act definitions. (ii) that HAT will be financially viable (iii) that problems in HAT area will be solved by HAT	Campaign against DOE/Minister/ Try Direct action and confrontation! Boycott and Campaign against consultants Expose HAT plans for estate Prepare Alternative Plans Campaign for Council opposition/refusal to co-operate. Union support and boycott Link up with other HAT areas and the NO TO HATS Group
DOE decide to go ahead. Precise area of HAT defined Consultants brought in to draw up plans that tenants will vote for	Amend previous plans/effects Boycott consultants Information to tenants about HAT powers, finances etc. And real limits/cost of what a HAT can do Organise non co-operation by potential landlords. Ensure that local businesses, owner occupiers etc in HAT area are involved in campaigning Prevent local council doing deals behind your back
Ballot Simple majority ballot	Organise to canvass every tenant to vote NO (see section 11), Make sure all those with no right to vote, write in with objections
It will depend on the result of the Ballot, the turnout etc how you campaign if you lose the ballot. Tenants will still need to campaign against the HAT Board to defend local tenants interests, and to make sure that all the promises made to get the YES Vote are kept to.	
Legal Process Declaration by the Secretary of State under the Housing Act 1988 House of Commons Debate on the Designation Order	Lobby debate. Lobby MPs Formal objection to Order
Formal consultation with Council Secretary of State picks: ● Chair of Trust Board ● Chief Executive ● Board Members — business local	Demand tenant involvement and no private negotiations Expose who they are. What is their interest? Waldegrave said they have no 'conflict of interest' Visit them so they know your views. Get them to make statements about why they are co-operating with the HAT
The HAT Board meets like a Council i.e. in public but with secret parts of the Agenda. They have to publish their plans and report to the DOE. HATs have a duty to promote racial harmony and equality of opportunity. They are obliged to provide for the needs of sick and chronically disabled Tenants of a HAT can complain to the Ombudsman about injustice and maladministration	Go to every Meeting, Monitor what their policies are on decanting, compensation, rents, repairs etc. Challenge them at every opportunity!

5. EVICTION FOR SALE

Tens of thousands of council homes have been sold off to developers in the last few years. As councils have less and less money to do major repairs on buildings, sales of vacant blocks are increasing. Pressure on tenants to move out of estates that could be profitable will increase. All the activity around the Housing Act means that we have forgotten about the massive loss of rented homes that has been happening all around us.

FORCIBLE RELOCATION

The 1986 Housing & Planning Act radically reduced security of tenure for council tenants.

Secure council tenants can now be evicted because their Council has decided to sell their estate to developers. This also applies to a Housing Action Trust, who has the same powers as a council.

Under the 1986 Act:

- the house or flat has to be part of a redevelopment scheme approved by the DOE. The council cannot evict you until they have that approval. And the council (or the HAT) has to inform all tenants in writing of the plans for the area and consider their views.

- the council intends "within a reasonable time" sell the house or flat or redevelop the area

- the Council has to offer you "suitable alternative accommodation" which is similar in size and rent and is also a secure tenancy. There are legal definitions of what counts as suitable. If you refuse what the Courts think is "reasonable" you can be left homeless.

And in a HAT area this could happen on several estates where you get rehoused, as they redevelop for sale, and decant tenants.

VACANT SALES

Very few tenants have actually been taken to court. But many thousands of tenants have been pressurised into moving and given transfers, so that the estates can be sold off empty.

Estates have been cleared by the council after "discovering" asbestos or dangerous structures — often some years after the tenants first told them about these hazards — and transferring the tenants. In Tower Hamlets, tenants were moved out of Bacton Towers while repairs were done, and then told that they could not return to their homes, as the block was to be sold. Clearance and sale can also be the result of a tenants campaign for repairs and modernisation. Obviously tenants must not stop such

campaigns, but be prepared to fight a decision to sell.

More often, councils have just made a decision to offer transfers to all the tenants in a particular block until its empty. And the tenants have not noticed until its too late. Sometimes, homeless families and 'short life' tenants are moved in, who without a secure tenancy have no rights to object to the estate sale.

Westminster and Wandsworth have both declared "designated sales areas" where they deliberately keep homes empty and transfer tenants out of blocks of flats in order to sell on the open market to owner occupiers.



BARTER DEALS

Increasingly, barter deals involving trade offs with empty blocks have been struck. A construction company or developer (or both) agree to do major refurbishment work on council homes, in return for

getting empty buildings to do up and sell for a profit. This is what Westminster Council tried to do to the Walerton & Elgin estates.

The council does not have to pay out any money and it gets some improved rented homes out of the deal. However at the moment, these barter deals are counted against the council's HIPS programme, and so they are not a way out of the Government's financial controls on council building programmes. This has meant that barter deals have virtually stopped for the moment.

Sales of empty estates do not involve any kind of ballot, and tenants have no legal way of stopping the sale. But it is just as important to campaign against the loss of rented homes.

Many councils are selling estates, with little objections from local tenants groups or from housing pressure groups. And yet once this stock is lost, councils have no way of building to replace it. Tenants and people on the waiting lists and the homeless are being played off against each other, unless there is a united campaign against the whole of the government policy.

Because of the massive cuts in Government money for modernisation and improvements, Councils argue that they only way they can get the money to do repairs is selling estates.

Until April 1990, they can spend one fifth of money from estate sales on 'capitalised repairs' e.g. major improvement programmes, and in some situations the rest can be spent on maintenance. From April 1990, although they can spend one quarter on repairs, three quarters of the capital receipt has to be used to reduce outstanding debts.

KEY QUESTIONS

Read *We are Not for Sale Part 1* for campaigning tactics against this kind of privatisation. It contains the 118 Questions that must be answered, which is a guide to kind of information you will need to campaign.

- Why are they selling that estate? Does it need major repairs? Is it on valuable land? Is it just attractive to developers?

- What are the alternatives to selling the estate? Is there no other way of getting the major repairs and improvements carried out?

- Who are they selling to? Is that the best landlord around or the best financial deal? What gains are the Council making?

- Will the homes built be for sale or rent? Will they be let to those in need locally? What will the rent levels be? What will the terms of tenancy of future tenants be?

6. RESURRECTING RACHMAN

A definition of a free market in rented housing: the landlord is free to ask as much rent as he likes and you are free to find somewhere else to live.

The Government is ideologically opposed to council housing. They think that housing should be provided by "the market" like washing machines or tins of beans. But there are virtually no private landlords. So not only does the Government want to "privatise" council housing and housing associations. They also have to revive the private landlord, and create the market!

They want to create a new sort of private landlord. They want big institutional investors such as building societies and pension funds not just to lend money to approved landlords, they also want them to become directly involved in being landlords — often in joint schemes with housing associations — and bring their business values with them.

The Government argues that large numbers of the 550,000 empty privately owned homes will be let once landlords can use an assured, or assured shorthold tenancy, with market rents and reduced security of tenure.

But the fact is that for landlords to make as much profit as they could by investing their money in shares, or even just leaving it in a building society, they will be demanding rents far higher than anything tenants can afford. The Housing Act will mean fewer homes to rent, and untold misery for many thousands of homeless people.

DO PRIVATE LANDLORDS WANT COUNCIL ESTATES?

Even the Government does not expect many tenants to willingly choose private landlords. And the Approval Procedure is supposed to keep out bad landlords. So far very few private landlords have shown any interest in buying up estates. But don't be complacent — there is lots of money to be made out of buying and selling estates.

Developers and institutional investors such as building societies may apply to be *approved landlords* to enable them to buy up council property that can be sold off in a few years. They will offer all sorts of "deals you cannot refuse" to encourage you to opt out now. They will tell you they are socially responsible. But they are in it for profit just like Rachman.

And in a few years time, when they decide to behave like a speculator, only a Government Minister will be able to stop them!

Housing Bill would allow state subsidies to criminal landlords

Patrick Wintour

BAD private landlords with criminal records will be entitled to state subsidy to let new property, and will not be required to sign the Government's proposed social landlord's charter, Mr Gordon Brown, the shadow Treasury secretary, said yesterday.

Such landlords will be entitled to £20,000 without strings attached through changes to the Housing Expansion Scheme introduced in the budget.

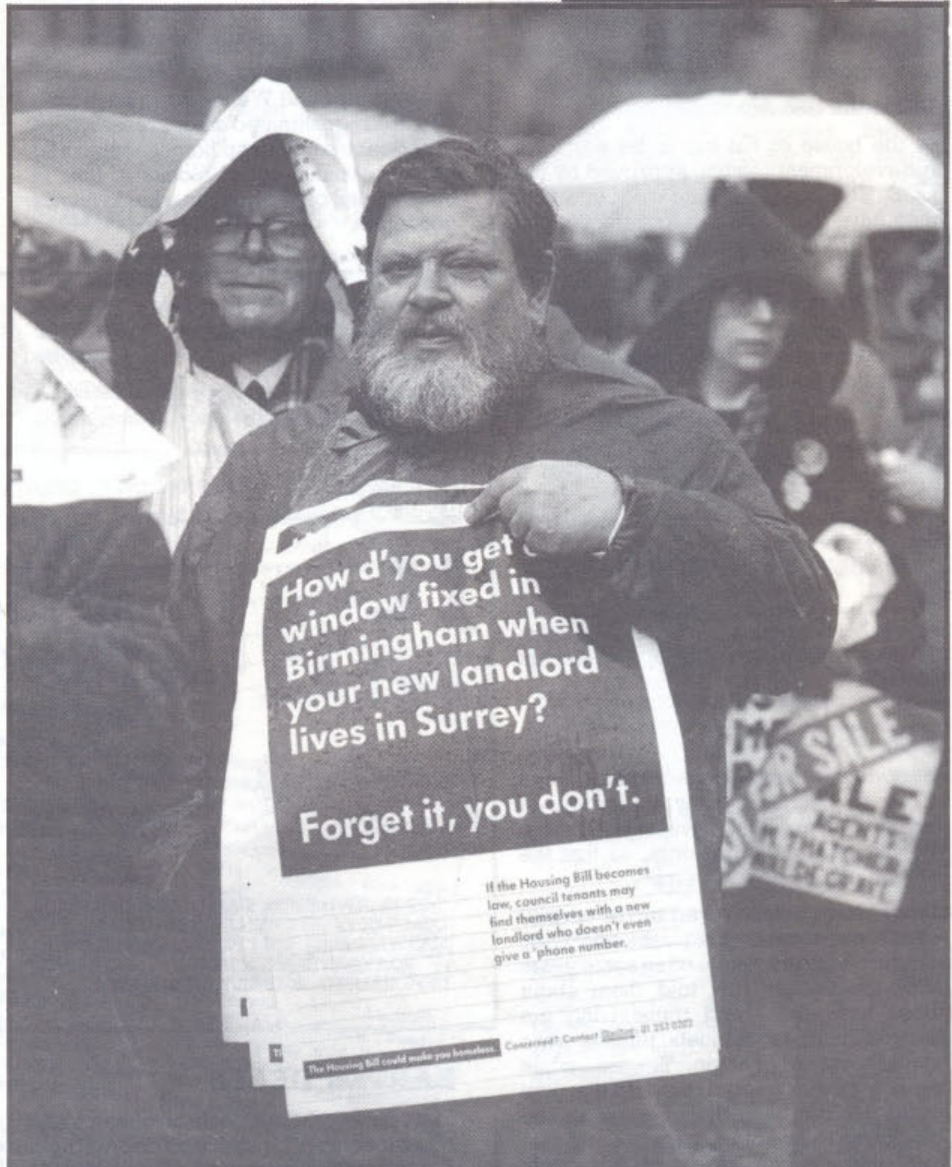
The charter will apply only to landlords, including housing associations, taking over council property under the bill's provisions for "tenants' choice".

The Housing Bill widens the criminal offence of harassment and tries to prevent landlords avoiding their responsibility through setting up new companies.

But Mr Norman Lamont, the Treasury Secretary, said yesterday nothing in the Government's new proposals that would stop landlords with criminal records, known to local authorities as exploitative and irresponsible, from securing mortgage relief.

He also claimed the scheme had been framed to discourage landlords from making a long-term commitment to remain active in the industry as it would be in four or five years and obtain capital gains tax exemption from the profits.

In the Finance Bill committee scrutinising the budget proposals in detail, Mr Brown accused one of *Exploitative Housing* landlords — Mr Nicholas Hoopman — of being a 19th-century style exploiter and harassment who will now be in receipt of state subsidies to continue to operate.



WHO WAS RACHMAN?

Peter Rachman was a property speculator in the 1950's. When the Tory Government "de-controlled" private renting, Rachman and many others bought up rented property, especially in London. They then proceeded to harass and "winkle out" the tenants so they could sell the houses empty to owner occupiers, starting the gentrification of working class communities. Taking over council estates will complete that process.

Beware — when a private landlord approaches your estate. Find out exactly who they are. They may be the private company arm of a housing association. They may be a private property company just using a housing association as a management agent. They may be your friendly High Street building society. Whatever they say, they are a Private Landlord and you will be a private Assured Tenant.

It will be crucial to your campaign to know exactly who the new landlord is and what they intend. Use the SCAT NALGO Database. Contact other tenants groups who have chased them off.

PRIVATE LANDLORDS — OUT OF CONTROL

Many council tenants have been private tenants at some stage of their lives. They remember what it was like. This Act removes what little security and protection private tenants had won over the years. This is called "deregulation" or "de-control" and is supposed to be better for tenants!

It means the end of fair rents set by the Rent Officer. A protected private tenant can only be legally evicted for specific reasons. Now, a landlord will find it much easier to get rid of the tenants when he wants to sell the building for profit, or charge a higher rent.

The Government admits that all the ways that landlords had to get round the law will no longer be needed — they will be the law!

If you are a private tenant already: Do not move and do not sign anything without getting legal advice.

QUALITY STREET

This private company was set up specifically to take advantage of the Housing Act 1988 by Nationwide Anglia Building Society with £600m investment and Paul Mugnaioni, the ex Director of Housing in Glasgow, as the first Managing Director.

The Company, which describes itself as a "new dimension in rented housing" has £600m to spend over five years. They want to be a "major force in the new UK market in rented housing by providing quality home with a professional back up service for all levels of that market, from

MPs voice Rachmanism fears over BES shake-up

A RADICAL shake-up in the Business Expansion Scheme, designed to boost private-sector rented housing, produced unease among Tory MPs and a warning from Labour's front bench that it could lead to "a new Rachmanism".

RENTED HOUSING

Waldegrave, the Minister for Housing, had been trying to achieve in the Bill. "It does

The exemption is in sharp contrast to previous BES changes. These have set out to restrict in-
proach an approved fund, than seek funds directly from the pub-

social housing to luxury executive flats".

It plans to have up to 40,000 rented homes making it one of the biggest private landlords in the country. By 1992 they want to control around 5% of the rented market in Glasgow, Edinburgh, Dundee, Liverpool and Newcastle and 1% in London.

Quality Street sees council housing as their main source, through "pick a landlord" schemes. They also bid for Torbay's housing, under a "voluntary transfer" scheme.

They claim to work in partnership with councils rather than take over their properties without their consent. But they make no promises to ask tenants!

Quality Street will charge "market rents", and they admit that tenants who cannot afford those rents will be evicted. Tim Melville Ross, Nationwide Anglia's Chief Executive has said that "We are in it to make a profit. We don't intend to embark on a scheme unless we can be sure that we can get a going rate of return and that subsidies are forthcoming".

Residents go private

QUALITY Street, the housing venture set up by architect Paul Mugnaioni, is preparing to take over a housing estate from Southwark council.

NW council strikes deal with Quality Street

A north west metropolitan council has struck one of the first deals with Nationwide Anglia's Quality Street to provide new homes at affordable rents.

Selton MDC is offering to lease 16.5 acres of land in Copy Lane, Netherton, Merseyside to Quality Street. In return the Nationwide Anglia funded organisation will raise £7.6 million to build 216 homes — 30 of which will be sheltered dwellings. Selton MDC will get 80-90 per cent nomination rights.

council rents for you families in housing need. According to Quality Street's director Paul Mugnaioni the company have no problem with financing the project. We need to make sure we provide homes at affordable rents. Using Business Expansion Scheme there is one possibility being considered.

The plan has been seen by environment secretary Nicholas Ridley for approval. Despite the secretary and leaseback scheme Paul Mugnaioni says 'optimistic that the Lane scheme will get approval.'

Protest follows Quality Street talks

A Scottish new town development corporation was accused this week of treating its tenants like 'items on a supermarket shelf'.

Labour MP Henry McLeish hit out at Glenrothes Development Corporation, which manages over 7,000 houses in Fife, after finding out that it had been involved in secret negotiations with a private company Quality Street.

The news that Quality Street, set up by Glasgow housing architect Paul Mugnaioni in November last year, was in talks with the corporation came like a bomb to Mr McLeish, who tabled a written question.

MP Adam Ingram, who was astonished to find out that the Development Corporation was keen to promote the idea without even board members, councillors, myself (the local MP) or even the residents knowing anything about it',

The negotiations could involve the possible transfer of over a thousand houses and a sheltered housing scheme, as soon as the Corporation take over last week Scottish Housing Minister Ian Lang said.

director Alexander Dow said a meeting with the board on 21 June would decide if negotiations with Quality Street should continue.

'We are involved in talks with Quality Street but the discussions are at a preliminary stage. We have carried out investigations with other forms of housing tenure ever since it became clear the Government did not intend to hand over the stock to local authorities', said Mr Dow.

But the row over the possible transfer has led to the local newspaper launching a campaign in an attempt to prevent it. The corporation is one of new towns in Scotland.

Quality Street 'is not a bootlegger', says boss

The head of a new company set up to provide private rented housing pledged this week that it would not get involved in 'bootlegging' the best local authority properties under the Housing Bill's Tenants' Choice proposals.

COAL BOARD DISASTER

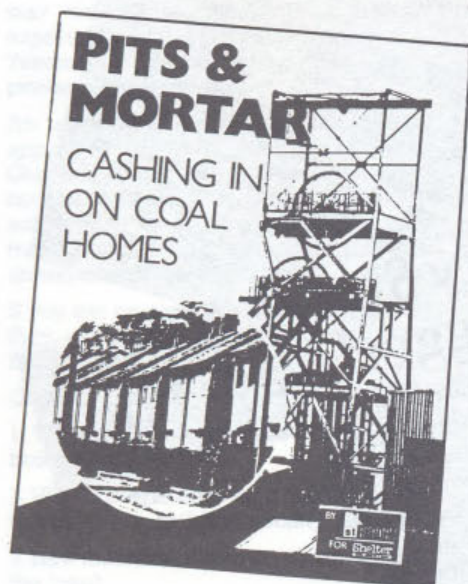
A number of recently privatised industries have sold off their homes — such as the NHS, British Rail and British Coal. The British Coal sales were investigated by Shelter in their report *Pits & Mortar* which found “a consistent pattern of disrepair, dereliction and demoralisation” and concluded: “it's not the Rachmanism of serious physical intimidation but one of slow relentless exploitation”.

The report featured eight estates in Staffordshire, Derbyshire and Yorkshire which had been auctioned off by the Coal Board. They were bought up by a variety of speculative companies. Since then the tenants — many elderly and retired miners — have struggled to find out who their landlords are and to get repairs carried out.

The problems faced by tenants include:

- no repairs carried out — and tenants told to arrange their own. No improvements such as rewiring or maintenance work done.
- no emergency repairs service, no local office etc.
- huge difficulties in even finding out their landlord — often they are miles away and do not reply to letters, change their names or hide behind different company names.
- profiteering: rapid rent increases and the houses sold off to other owners for a quick profit.

But these are not all local cowboy firms. Famous names are also involved: Sir Laurie Barratt owned half the shares of Southvale Properties who bought up houses in the Wakefield area. Tom Baron, also involved in setting up Stockbridge Village (see section 14), ex Chairman of Salvesen Properties and government advisor on privatisation owned 180 houses in 3 areas.



ASSURED & ASSURED SHORTHOLD TENANCIES

ASSURED SHORTHOLD

Transferred council tenants cannot be given shorthold tenancies. The tenancies are for a fixed period at the end of which you can be evicted with no reason. There is no limit on the rent levels. If you are offered a Shorthold tenancy, get advice.

ASSURED TENANCIES

Who will be Assured Tenants?

- All council tenants who have transferred to a new landlord whether you “opted out” or were sold by the council or a HAT.
- All new Housing Association tenants
- Most new private tenants.

The law defines three elements of an assured tenancy:

- no rent control
- less security of tenure
- one right of succession only, to a spouse or cohabitee only

Most other terms of an assured tenancy will be based on a “contract” between the landlord and tenant and can include as much or as little as the bargaining can achieve.

RENT

Private landlords will be free to charge as much rent as the “market” will bear — i.e. as much as people are prepared to pay. There are no limits on how high a rent can be. Approved Landlords will charge cost rents i.e. which cover all their costs including repaying commercial loans. They should be “less than market rent”. But there are no criteria for these “affordable rents”. Any new landlords first priority will be to remain financially viable and attract future investment. And that means tenants needs come second.

There is no application to the Rent Officer to set a fair rent. The only limit will be imposed by the Housing Benefit system refusing to pay what they consider to be too high rents. The Rent Assessment Committee can in some circumstances be called in to set the market rent.

The landlord can also demand service charges for such services as lift maintenance, estate cleaning, gardening etc which a council tenant pays for in the rent. These charges are not paid for by Housing Benefit, and have to be paid out of the rest of your benefit. But you can be evicted for not paying them.

SECURITY

The changes in security are very serious. There are much wider grounds for possession than apply to a secure council tenant. There are eight **mandatory** grounds i.e. where the Court has no choice but to give possession if the facts are proved.

Mandatory grounds include:

- there are more than three months of arrears at the date of the court hearing and at the time a Notice of Proceedings for Possession is served.
- the landlord has defaulted on the mortgage or loan repayments, and the property is being re-possessed.
- if the landlord owned the property before the tenancy began, and intends to redevelop or demolish the building, (this does not therefore apply to transferred council tenants, but it does apply to new tenancies in transferred council property).

There are eight **discretionary** grounds i.e. where the Court can decide whether or not to give possession even if the facts are proved. These include:

- any amount of rent arrears (i.e. less than the 13 weeks needed for mandatory possession).
- persistent delay in paying rent, even if there are no arrears at the time of the hearing.
- suitable alternative accommodation is available to the tenant.
- breach of tenancy agreement e.g. paying service charges.

Assured tenants will still have to go to court to be evicted but the tenant may have only two weeks notice of the hearing, for some of these grounds of possession.

EVICTED BY POVERTY

As important as the much harsher grounds for possession are the combined effects of much higher rents. Cuts in Housing Benefit, and the “commercial” attitudes of the new

landlords who need to balance the books. This will lead to increased evictions and homelessness.

SUCCESSION

Succession refers to the right to pass on your tenancy. An assured tenant only has one right to succession, and that is only to a spouse (including common law spouse). Council tenants currently can leave their tenancy to a son or daughter who lives with them. And many councils have extended the right of succession to other members of the tenants household, and allowed more than one succession.

REPAIRS

Assured tenants are still covered by the legal minimum of Ss 11-16 of 1985 Landlord & Tenant Act (as you are as a council tenant). You will have no rights to modernisation, environmental improvements, install central heating etc. And any modernisation and major repairs will almost certainly mean higher rents which you may not be able to afford.

RIGHT TO BUY

Assured tenants do not have the right to buy, unless they are a transferred council tenant whose right to buy is preserved.

RIGHTS

An assured tenant loses many legal rights:-

- the right to assign, exchange or sublet their tenancy.
- the right to take in lodgers.
- the right to information and consultation with the landlord.
- the right to make improvements to their home.
- the right to do minor repairs and re-charge the landlord.
- the right to information on allocations policies.
- the right of your children or other relatives to inherit the tenancy.

THE TENANCY AGREEMENT

Instead of being covered by the 1980 Act Tenants Charter Rights, assured tenants will have a "contractual tenancy" and a written tenancy agreement with your landlord which may promise you some or all of these rights. However, they will not be legal rights and it will be very difficult and expensive to enforce the contract terms.

Some landlords are saying that they will not use the "mandatory" ground for possession for three months rent arrears. But even the Department of the Environment agrees, if the landlord broke that promise neither the tenant nor the Court could do anything about it, and the tenant would be evicted.

To enforce the Tenancy agreement terms, you would have to sue for breach of contract. But you will have to prove that you have suffered loss and you may only get financial compensation. Which if you have lost your home is of little use. There are also very serious problems in getting legal aid for such a challenge.

CHANGES IN THE CONTRACT OR TENANCY AGREEMENT

Transferred council tenants will be periodic assured tenants, which means that changes in the contract have to be agreed between the tenant and the landlord. However, the landlord is free to negotiate different agreements or different levels of service and repairs with individual tenants, for different rent levels.

Even if the new landlord is offering a tenancy agreement that is the same as you have now, think carefully. That agreement can be changed in the future — it is not law. This is a "one way ticket". And if the housing association got a new committee, or the Government changed the rules again, assured tenants have no legal protection.

LONG TERM DIFFERENCE

Councils and the Government are claiming that there is no real difference between an assured and secure tenancy. That you have the same "long term security of tenure". Do you think this is true?

An assured tenancy means a serious loss of rights and a significant loss of long term security. No tenant should give up a secure tenancy without really thinking about the implications.

(Tenants who became assured tenants of an approved landlord, via a "Pick a tenant" bid under the 1988 Housing Act also have some additional ways of enforcing their rights, via the Housing Corporation.

The conditions under private landlords have been so bad that already one estate has been demolished, one purchased by the tenants in frustration and another estate is currently trying to get someone to buy out private landlords!

LONGPORT FLATS IN STOKE ON TRENT

In 1981, Wren Properties — a large Manchester private landlord then called Brightflats — bought 42 empty flats from Stoke on Trent Council. The tenants had campaigned to be rehoused because of the conditions. Wren paid just £55,000 for the flats, spent a further £100,000 on smartening up the block but decided that any real improvements to the flats would be 'uneconomic'.

They let them on "shorthold tenancies" at rents that are often double the local authority level, and are put up every two years. A Notice to Quit is served after two reminders to anyone who gets behind with their rent. Tenants have to pay a deposit of £150 and Wren will not let to anyone who is unemployed or has children over two years old. They say it is up the local authority to continue to accommodate such disadvantaged applicants.

The Department of the Environment has promoted the scheme as a "good practice".

Wren Properties made an unsuccessful bid for the Colshaw Farm Estate in Wilmslow Cheshire, an overspill estate managed by Manchester City Council. The first the Tenants Association or Manchester Council knew about the bid was from newspaper reports. The firm had already been round talking to individual tenants, claiming they would improve management and do repairs in 48 hours. At tenants meetings they were booed and chased off the estate.

ASSURED TENANCIES

The new assured tenancy is the basis of the whole policy of privatising council housing. To move from public investment to private investment in rented housing, they had to make it profitable.

Part I of the the Housing Act 1988 creates two new private tenancies:

- Assured tenancy
- Assured shorthold tenancy

Landlords will now be able to charge as much rent as they like. And housing associations who are forced to borrow private finance will be able to charge high enough rents to repay those loans.

Reduced security of tenure means that tenants who do not pay the rent can be evicted or moved out into cheaper premises, and the flat relet at a higher rent.

7 HOUSING ASSOCIATIONS FRIEND OR FOE?

Housing associations are now the government's favoured providers of "social" housing. The Government want them to take over large amounts of council housing — either by sales from councils, HATs or development corporations, or by tenants "opting out".

But the Housing Act will effectively transform housing associations from public sector landlords to what is virtually a private landlord.

This will be achieved by cuts in government grants and forcing them to rely on private finance which means higher rents and loss of rights. Moreover all housing association tenants will be assured tenants, like any other private tenant.

PLEASING INVESTORS

Housing associations are not profit making organisations. But from now on they will have to rely on commercial loans from profit-making private financiers. That means they will have to run their housing in a way that is acceptable to the investors and not in the interests of tenants and those in housing need.

The Government can always cut back on the grants, or impose new conditions. They have already said they will "create new incentives to associations to deliver their services in the most cost effective way, bringing to bear the disciplines of the private sector" i.e. they will force HAs to manage their housing as cheaply as possible, and to increase rents in line with the new council rents.

After the Housing Act "housing associations will become indistinguishable in law from profit making private landlords" — National Federation of Housing Associations.

Housing associations used to be seen as part of the public sector. They got Government money — called Housing Association Grant or HAG — via the Housing Corporation to build rented homes. Often they specialised in building for groups that local authorities did not cater for e.g. the elderly, single people, people with special housing needs. They charged fair rents and their tenants had the same secure tenancy as council tenants.

HA TAKE OVER?

Housing associations that take over estates, after a Part IV transfer have to be approved landlords. All registered

housing associations are monitored by the Housing Corporation, whether they are "approved" or not.

A "voluntary transfer" is usually to an existing predatory housing association or a bogus one set up by the council. It does not have to be approved but it is (usually) registered.

At the moment all HA tenants are "secure tenants". Existing HA tenants will remain secure tenants so long as they stay in the

GOODBYE FAIR RENTS

Housing association rents used to be fair rents set by the Rent Officer. Now they will be market rents, and the rent levels will depend on what kind of deals different associations can do with private finance, with the Housing Corporation and with the Government.

Housing Association Grant (HAG) the key subsidy for housing associations has been turned upside down. Before the Housing Act, when housing associations built or improved homes they worked out what the fair rent would be, and then got HAG to cover the rest of the costs. Now the housing association will only receive a fixed amount of grant — an average of 75% across the country, but which could be a higher percentage in London — and all other costs, including expensive



Westminster tenants after surprise visit to PMI Philip Wolmuth

same house, exchange homes (with permission) with another secure HA tenant, or get a transfer to a new home within the same HA. A transfer to a different HA means a new assured tenancy. All new housing association tenancies will be assured tenancies

private loans, will have to be paid for with much higher rents.

Housing associations used to get revenue grants to pay for management and maintenance expenses, and major repairs that exceeded the income from the fair rents. They will no longer get

these revenue grants to bail themselves out; tenants will have to pay.

Existing tenants will remain on fair rents, but the increases will no longer be phased. They are likely to drift upwards until they match 'market' rents. Old and new tenants in the same building will find themselves paying quite different rents.

NO EXTRA CONTROL OR REPAIRS

Housing associations are run by a self-selecting committee. Almost no HAs have any tenant representation on their Management body; their tenants have no more legal rights to be consulted than council tenants. Transferring to a housing association will not necessarily give you more control over your housing — it may give you less. And you cannot use the threat to vote them out!

A community based housing association promoted by the Housing Corporation will have tenants representatives on it, but not necessarily a majority.

There are no grants to HAs (or anyone else) to buy up and repair council estates. Repairs and modernisation for new and existing housing association homes will be with private money. Existing HA tenants may have to pay higher rents to pay for taking over council estates. Council tenants transferring to an association in the hopes of modernisation should find out how much it is going to cost!

ALLOCATIONS AND MANAGEMENT

Some HAs have agreed allocation policies in line with local housing need, in return for public subsidy — this has opened up HAs to homeless people and council tenants on the transfer list. Many HAs are worried that private finance and higher rents will mean that they have to change their character, and will no longer be able to provide for those in need.

All registered HAs (i.e. not all HAs and not all approved landlords) will have to follow the "Guidance on Housing Management Practice" issued by the Housing Corporation. This is just a Code of good behaviour, enforced by the Housing Corporation; it has no statutory force.

FRIEND OR FOE?

Housing associations are split about their attitude to taking over council estates. Some are only too keen to buy up homes, and expand their empires. Some are determined to retain their original aim of providing housing for special groups, or as a small and low-rent landlord. The Government is putting a lot of pressure on HAs to amalgamate into big landlords, to cut repairs and management costs, and to behave like private companies.

There is no such thing as a typical HA. They range from the big and bureaucratic

to the small and friendly. Not only do housing associations differ enormously amongst themselves but it also depends on what your other options are.

Where landlords — such as British Coal or the NHS — are determined to sell, housing associations have stepped in to buy the properties. Local authorities no longer have the money to do that. Most housing associations will be better landlords than most private landlords. If you feel that your landlord is determined to sell you off, then a good local housing association who will meet your demands may be worth investigating. However many tenants will find that a HA is trying to take over their estate against their wishes, either through "pick a tenant" or through voluntary transfer. The National Federation of Housing Associations has a policy against it. Although they cannot force their members to obey it, they can bring pressure to bear, and can put them out of the Federation.

Key questions to ask include:

- Why are you considering transferring to a HA? Is it because the council is determined to sell and a HA is better than a private company?
- Has a HA put in an offer for your estate — if so who are they, and why do they want it?
- Are you thinking of opting out because you think a HA will be a better landlord?

For tenants in these situations, the decision is different, but you need to have the same kind of information to make the right decision

NFHA seeks strong links with councils on transfers

Housing associations should only become involved in bids under tenants' choice at the invitation of tenants, the National Federation of Housing Associations said this week.

In a statement issued after discussions with the Association of District Councils and Association of Metropolitan Authorities, the NFHA sets out its policy on transfers and suggests approaches to each stage of the process. Maximum co-operation with local authorities is emphasised throughout to ensure current working relationships can be preserved and built upon.

In an accompanying letter to the chairs of the ADC and AMA, Lady Anson and Clive Betts, NFHA chair Eric Armitage proposes three conditions for housing associations involved in transfers to gain his organisation's support. These are:

- a yes vote from a majority of those eligible in a ballot;
- no opposition to transfer from the local authority;
- enough resources available to secure the long term future of the deal.

Housing Associations will still be able to let the Housing Corporation know of their willingness to take on council housing, says the statement, but they will not wish to involve themselves in tenants' choice or other transfers where there is no prospect of adding to locally available housing resources.

The statement calls for considerable openness from housing associations in providing full information to tenants and the local authority both about practical issues and policy.

"It is important for there to be proper and reasonable time given to the process of preliminary discussion," it adds, recommending one to three months for this stage.

In conclusion, says the NFHA, "Associations should respond to tenants' initiatives but not seek independently to secure the transfer of local authority estates."

FINDING OUT ABOUT HAs

First find out exactly what kind of organisation is after your estate. Several large housing associations have set up private companies with the same name. And some private companies call themselves a Housing Association.

● **Non Registered:** they get their money from private (sometimes charitable sources) and have no government financial control.

● **Charitable HAs:** registered with the Charities Commission and have to follow strict rules. Their tenants have no automatic Right to Buy

● **Registered with the Housing Corporation:** they get their money from the Government via the Housing Corporation which monitors their activities

INVESTIGATING A HOUSING ASSOCIATION

The Housing Corporation publish a Directory of Registered Housing Assns, which has fairly minimal details. (from Housing Corporation. 149 Tottenham Court Rd W.1. 387 9466, or your local office.; Price £11.50) They will also provide details of Approved landlords.

Technically they have to publish Accounts and Annual Report and send them to the Registry of Friendly Societies. The accounts are drawn up to legal requirements and may not be very useful or comprehensible for tenants. However they do include the names and addresses and occupations of committee members, and the overall budget.

You can inspect the records of a HA or get a photocopy: contact the Registry at 15 Gt Marlborough st W.1. 01 437 9992. It costs £2.50 to look at the file plus photocopying fee. You can also get copies of similar documents sent to you from the Housing Corporation. It costs £3.00 for the first 10 copies & 20p a copy after that. Contact the Registry section.

National Federation of Housing Associations (175 Grays Inn Rd, WC1 01 278 6571) represents the interests of Housing Associations. They publish a model Assured Tenancy Agreement, and material on HA rent levels. They can only persuade their members to be good landlords. They also publish a Directory of their members which gives a very brief outline on each association. Price £19.95.

Under the 1985 Housing Act HAs are required to provide a summary of their allocation policies to the local authority who must allow members of the public to inspect it. They must also provide the local council with details of their consultation arrangements. They must issue tenants with a tenancy agreement. If you can get hold of these documents they will give you some information about the HA. Although a local council has no direct control over these policies, they can apply pressure.

The best source of information about a HA is its tenants! The Council should be able to tell you which estates/buildings are owned by a HA. There is no central information about TAs, but local community projects or a tenants federation should be able to put you in touch. If there is no TA, then try going to an estate they own and just knock on the doors and look around.

The advantages of a HA will depend on the particular association:

- who controls it, who is on the committee and why?
- what kind of record do they have as a landlord?
- is there any money for repairs?
- what rent level are they proposing?
- what about transfers — do they have a big stock?
- what kind of management style do they have — do they have a local office or will they be miles away?
- do they have their own repairs team, or do they rely on local builders? What is the quality of the work?
- What exactly can they offer your estate? Why are they better than staying with the council?
- what plans do they have for any open space or community facilities on the estate? (Sometimes they are sold off.)
- what are their finances like? Do they have big debts to pay off?

Walterton & Elgin Action Group invaded the AGMs of two housing associations asked by Westminster Council to take over their estate and persuaded them to withdraw.

NEIGHBOURHOOD HOUSING ASSOCIATIONS

A Neighbourhood Housing Association is an option for tenants who want to "opt out" from the council, but do not want a private landlord or a co-op.

A Neighbourhood Housing Association can be set up and controlled by the tenants on the estate but unlike a co-op it can also include owner occupiers and other residents in the area.

It has to be approved by the Housing Corporation (or by the DOE if its a Council transfer) and often will have be 'under the wing' of an existing housing association, who can show the expertise and skills required to get "approval".

It has all the disadvantages of any transfer to a housing association (or any private landlord body): i.e. private finance, high costs, assured tenancies etc. The benefits will depend on what you can negotiate with the council selling the estate, and availability of private finance. The Housing Corporation Tenants Transfer Officers are very keen on sales to Neighbourhood HAs, so get independent advice! Talk to other tenants who have considered this option.

NORTH HOUSING PLC

Housing associations have recently been allowed to raise money in the City on the security of the value of the property they own. They can use these loans to buy up council estates, improve the homes they already own or build for sale or rent, as a speculative venture.

North Housing Association is a good example of an empire building outfit.

- They have raised £100m in the City to build between 2000 and 3000 homes to be let under assured tenancies. The loan is based on one of the biggest housing stocks in the country, plus some speculative land deals.
- They approached councils all over the south of England — especially in high priced areas around the M25 and in the Green Belt — to take over their council houses.
- They tried to buy all of Gloucester's housing stock. This would have given them a substantial asset base in the south-east where house and land prices are rising fast, which could have been used as security for private loans
- They are negotiating with Rochford Council to buy up vacant homes, even though the tenants had overwhelmingly voted against the "voluntary transfer" of the whole stock.

DIRTY DEAL IN DOVER

The homes of 130 tenants on the St Radigund Estate in Dover will be sold off to a housing association in spite of tenants opposition. The Council is determined to sell the estate, and tenants who oppose it will be compulsorily transferred to another property, using their powers to evict under the 1986 Housing & Planning Act.

The sale was proposed by consultants, Thomson McLintock. Tenants who go to the new landlord will be assured tenants. Urgently needed repairs are estimated to cost £25,000 per house, which would mean rent increases of £25+ a week, let alone the costs to the housing association of buying the estate and managing the estate.

FAKE HOUSING ASSOCIATION

Coal Board tenants forced the Lancaster Housing Association to withdraw from buying 1400 houses. It was really a private company and was not registered with the Housing Corporation. The tenants had already found a consortium of 4 genuine housing associations to act as socially responsible landlords, but the Coal Board had rejected their bid. Lancaster HA withdrew because "they were concerned at the tenants opposition". (PSA 33)



8 HOUSING CO-OPS A REAL ANSWER?

Many tenants already feel they could run their estate better than any housing department, and the thought of a private landlord taking over will be enough to send many tenants groups investigating what is involved in a co-op. The Tories have suddenly become very enthusiastic about co-ops. Is this because co-ops are going to provide affordable rents and good quality housing? So are co-ops a real answer or a cop-out?

A housing co-op is a group of people who collectively manage their homes. There are two sorts of co-ops —

- *An ownership co-op:* the co-op owns the buildings, and the tenants manage them collectively

- *A tenants management co-op:* the council or housing association continues to own the estate, and the tenants take on managing the estate and day to day repairs.

There are several important differences between these two sorts of co-ops.

Whatever sort of co-op you are, decisions about the estate will be taken by all co-op members at general meetings and by an elected committee. The co-op has to be legally constituted with certain basic rules. It can take at least three years to get going and you will need expert advice on the finances and legal arrangements.

WHY CO-OPS?

Many tenants will investigate setting up a co-op and will decide it is not appropriate or desirable on their estate, and does not solve their problems. For some, an ownership co-op will be a better option than a private landlord. For others, a management co-op may be the way to get some control over their estate.

The Government talks a lot about co-ops. But they are not putting any money into making them work. After years of tenants demanding more say in the way their homes were designed and run, and the Government and councils ignoring them — suddenly co-ops are all the rage. Tenants have to ask themselves why!

The Government wants to dismantle council housing. Transferred ownership co-ops (TOCs) are private bodies and have to rely on private finance — they are a form of privatisation.

Tenants want co-ops for a number of reasons: they get control of their estate, it becomes a closer community, tenants can learn skills and the co-op can create jobs and tackle some of the social problems on the estate.

Only set up a co-op if all the tenants positively want to take on running their estate. Not just to rescue yourselves! A management co-op will not save you from a predatory landlord — although the tenants of a management co-op have to be balloted separately from other tenants. And the your council can still sell you off.

If you have enough support to set up a co-op, you can win a ballot. A management co-op will not bring in money for major repairs or modernisation: that will still have to come from council spending. An ownership co-op will get no council or government money. If you need modernisation then the co-op would have to borrow and repay the loan out of higher rents.

WHAT WILL IT INVOLVE

Co-ops work best if everyone is involved and participates in running the estate. That means meetings and responsibility. Often co-op members have to get involved in doing some of the repairs and management tasks of the estate. Think about whether you want to put a lot of time into a co-op and take on responsibility for you and your neighbours' homes?

There are about 600 co-ops housing about 30,000 people. They range from 3 homes to 250 homes: which is very small compared to most council estates. And hardly the answer for 4 million council tenants.

What about those tenants that do not want to be in a co-op? Can they move off the estate? Do they want to? Most co-ops have been set up with new tenants who chose to join a co-op, rather than converting an existing estate. A "rigged" ballot is *not* a good basis on which to set up a co-op.

TENANTS RIGHTS TO BE A CO-OP?

Tenants have no right to be a management co-op. It has to be agreed between the council and the tenants. Section 10 Housing & Planning Act 1986, only gives tenants the right to request the council to consider setting up a management co-op. The council has to respond within 6 months, either agreeing to the idea or giving reasons for rejecting the proposal.

Part IV of the 1988 Housing Act gives tenants the right to "opt-out" into a transferred ownership co-op, whether your landlord likes it or not, providing the Housing Corporation give their approval. You can either opt into a co-op set up just for your estate, or into an already existing co-op.

HOUSING CORPORATION FINANCE: CO-OP MORTGAGES IN THE BRAVE NEW WORLD

When the new HAG regime comes into force on 1 April 1989 co-ops will be faced with raising mortgages from the private money markets. They will need short term mortgage finance during the development period and long term mortgages to finance the residual capital costs not met by the new fixed % grant limits.

Short term development period mortgages pose particular problems for new co-ops. Given that new co-ops will have no existing assets which can be used as security for new development finance, will building societies and other financial institutions be prepared to lend knowing that if development problems occur their only security is the property being developed or improved?

WHO WAS RACHMAN?

Peter Rachman was a property speculator in the 1950's. When the Tory Government "de-controlled" private renting, Rachman and many others bought up rented property, especially in London. They then proceeded to harass and "winkle out" the tenants so they could sell the houses empty to owner occupiers, starting the gentrification of working class communities. Taking over council estates will complete that process.

Beware — when a private landlord approaches your estate. Find out exactly who they are. They may be the private company arm of a housing association. They may be a private property company just using a housing association as a management agent. They may be your friendly High Street building society. Whatever they say, they are a Private Landlord and you will be a private Assured Tenant.

It will be crucial to your campaign to know exactly who the new landlord is and what they intend. Use the SCAT NALGO Database. Contact other tenants groups who have chased them off.

PRIVATE LANDLORDS — OUT OF CONTROL

Many council tenants have been private tenants at some stage of their lives. They remember what it was like. This Act removes what little security and protection private tenants had won over the years. This is called "deregulation" or "de-control" and is supposed to be better for tenants!

It means the end of fair rents set by the Rent Officer. A protected private tenant can only be legally evicted for specific reasons. Now, a landlord will find it much easier to get rid of the tenants when he wants to sell the building for profit, or charge a higher rent.

The Government admits that all the ways that landlords had to get round the law will no longer be needed — they will be the law!

If you are a private tenant already: Do not move and do not sign anything without getting legal advice.

QUALITY STREET

This private company was set up specifically to take advantage of the Housing Act 1988 by Nationwide Anglia Building Society with £600m investment and Paul Mugnaioni, the ex Director of Housing in Glasgow, as the first Managing Director.

The Company, which describes itself as a "new dimension in rented housing" has £600m to spend over five years. They want to be a "major force in the new UK market in rented housing by providing quality home with a professional back up service for all levels of that market, from

MPs voice Rachmanism fears over BES shake-up

A RADICAL shake-up in the Business Expansion Scheme, designed to boost private-sector rented housing, produced unease among Tory MPs and a warning from Labour's front bench that it could lead to "a new Rachmanism".

RENTED HOUSING

Waldegrave, the Minister for Housing, had been trying to achieve in the Bill. "It does

The exemption is in sharp contrast to previous BES changes. These have set out to restrict in-
prouch an approved fund, than seek funds directly from the pub-

social housing to luxury executive flats".

It plans to have up to 40,000 rented homes making it one of the biggest private landlords in the country. By 1992 they want to control around 5% of the rented market in Glasgow, Edinburgh, Dundee, Liverpool and Newcastle and 1% in London.

Quality Street sees council housing as their main source, through "pick a landlord" schemes. They also bid for Torbay's housing, under a "voluntary transfer" scheme.

They claim to work in partnership with councils rather than take over their properties without their consent. But they make no promises to ask tenants!

Quality Street will charge "market rents", and they admit that tenants who cannot afford those rents will be evicted. Tim Melville Ross, Nationwide Anglia's Chief Executive has said that "We are in it to make a profit. We don't intend to embark on a scheme unless we can be sure that we can get a going rate of return and that subsidies are forthcoming".

Residents go private

QUALITY Street, the housing venture set up by architect Paul Mugnaioni, is preparing to take over a housing estate from Southwark council.

£600 million NW council strikes deal with Quality Street

A north west metropolitan council has struck one of the first deals with Nationwide Anglia's Quality Street to provide new homes at affordable rents.

Sefton MDC is offering to lease 16.5 acres of land in Copy Lane, Netherton, Merseyside to Quality Street. In return the Nationwide Anglia funded organisation will raise £7.6 million to build 216 homes — 30 of which will be sheltered dwellings. Sefton MDC will get 80-90 per cent nomination rights.

council rents for you families in housing need. According to Quality Street's director Paul Mugnaioni the company have no problem with funding the project. We need to make sure we provide homes at affordable rents. Using Business Expansion Scheme for one possibility being considered.

The plan has been seen by environment secretary Nicholas Ridley for approval. Despite the secretary's clampdown on Paul Mugnaioni says 'optimistic that the Lane scheme will have approval.'

Protest follows Quality Street talks

A Scottish new town development corporation was accused this week of treating its tenants like 'items on a supermarket shelf'.

Labour MP Henry McLeish hit out at Glenrothes Development Corporation, which manages over 7,000 houses in Fife, after finding out that it had been involved in secret negotiations with a private company Quality Street.

The news that Quality Street, set up by Glasgow housing architect Paul Mugnaioni in December last year, was in talks with the corporation came like a bolt from the blue, said Mr McLeish.

MP Adam Ingram, who was astonished to find out that the Development Corporation was keen to promote the idea without even board members, councillors, myself (the local MP) or even the residents knowing anything about it.

The negotiations could involve the possible transfer of over a thousand houses and a sheltered housing scheme, as soon as government plans to wind up the Corporation take effect.

The Corporation take effect last week Scottish MP Ian Lang said that the Corporation is one of the new towns in Scotland.

director Alexander Dow said a meeting with the board on 21 June would decide if negotiations with Quality Street should continue.

'We are involved in talks with Quality Street but the discussions are at a preliminary stage. We have carried out investigations with other forms of housing tenure ever since it became clear the Government did not intend to hand over the stock to local authorities' said Mr Dow.

But the row over the possible transfer has led to the local newspaper launching a campaign in an attempt to prevent it.

Quality Street 'is not a bootlegger', says boss

The head of a new company set up to provide private rented housing pledged this week that it would not get involved in 'bootlegging' the best local authority properties under the Housing Bill's Tenants' Choice proposals.

WHAT SORT OF CO-OP TO CONSIDER

Think carefully and get advice from people who have **not** got an interest in pushing for co-ops. If you transfer your estate out of the public sector, then it is lost forever from the council stock. There is no 'opting back'.

TRANSFERRED OWNERSHIP CO-OPS

Tenants can use Part IV Housing Act 88 to transfer their estate into a transferred ownership co-ops (TOC). Tenants have to be balloted.

The co-op OWNS the housing. The co-op will buy the estate from the council with a mortgage or loan from a bank or building society. Although the co-op may get a discount on the purchase price like any other *approved landlord*, there will be no other subsidy. The co-op will have to borrow money to pay for major repairs

Once you are in a TOC, then the co-op is responsible for everything that the council now does i.e. rent collection, repairs, allocations, arrears policy and evictions etc etc.

The co-op has to calculate how much rent has to be paid by individual tenant members to cover the repayments on the loans, and the full costs of management and day to day repairs.

Individual tenants are only liable for a nominal £1 share to belong to the co-op. If the co-op itself cannot pay its bills, then it would have to find another landlord or company to buy them out

It can be 'Fully Mutual' i.e. all tenants are members of the co-op and all members of the co-op are tenants (or prospective tenants). This means you have no preserved right to buy and are not assured or secure tenants. The co-op gets tax relief on its mortgage payments.

It can be 'Non-Mutual' i.e. some members may not be tenants, but be outside experts or owner occupiers on the estate. Tenants are assured tenants and have a preserved right to buy.

An ownership co-op has to be an *approved Landlord* with the Housing Corporation just like anyone else buying council estates. They will monitor the activities of co-ops to ensure that their management practices and financial arrangements are within their Guidelines.

If you get money from a building society they will monitor the condition of the building.

Questions to ask:

1. What price will you have to pay for the building(s)?
2. Who is prepared to lend you the money to buy it — a building society, a bank?
3. How much will it cost the co-op to repay the loan?

4. What repairs and modernisation need doing — where will the money for that come from and what will it cost?

5. How much will it cost to manage the estate: rent collection, arrears, allocations, caretaking, etc etc? What does it cost the council to manage your estate now?

Adding up 3,4 and 5 what is the likely rent? Do you think that 100% of the tenants are prepared to take on the responsibility of owning and managing the estate, in a democratic way? Do you think you could agree policies for instance on allocations, evictions, succession, lodgers?

TENANTS MANAGEMENT CO-OP

Tenants can set up a tenant management co-op (TMC) to manage the estate. The estate is still owned by the council (or housing association) and is still part of the public sector. You can usually opt back if the council agrees.

Tenants remain secure council tenants paying council rents and have the same rights including the right to buy. Major repairs and modernisation have to be paid for out of the council's HIPs programme just like any other estate.

The tenants form a co-op, and then negotiate the Management Agreement with the council (or other owner). This legal agreement sets out the division of all the management responsibilities between the council and the co-op. It then sets out allowances which the council will re-pay to the co-op to carry out those jobs. There is no fixed formula for these agreements — do not take on jobs that you do not feel confident about doing.

Co-ops win record grants

Housing minister Lord Caithness has doubled the grant to the National Federation of Housing Co-ops as part of a £1.09 million package to promote tenant management initiatives in public housing.

The Section 16 grants, to be paid in 1989/90, represent an increase of £200,000 over the year before.

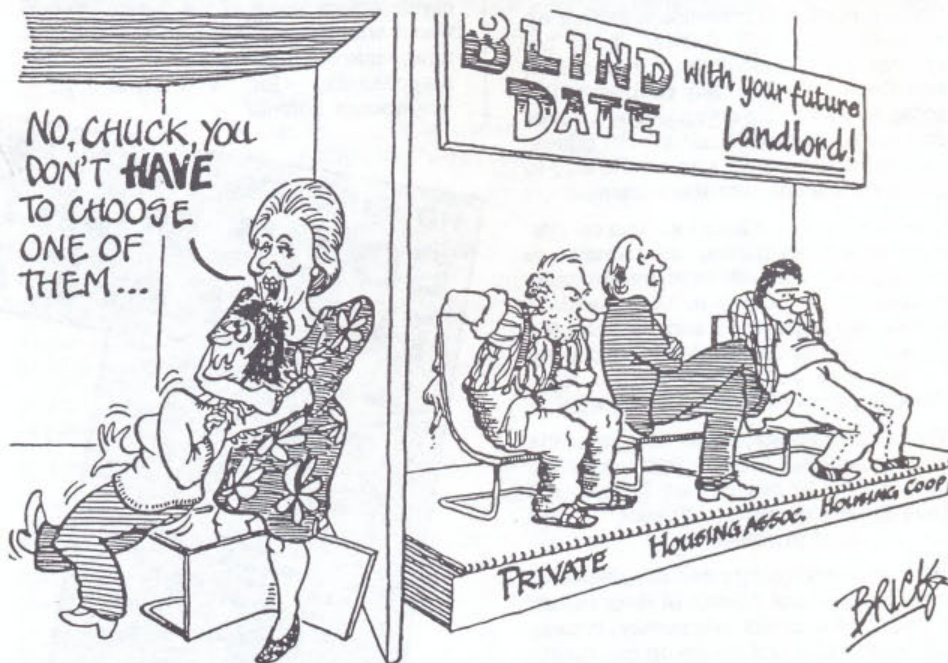
In 1988/89 the grant to the National Federation of Housing Co-ops was just under £50,000; in 1989/90 it has risen to £109,646.

National Federation of Housing Co-ops chair Suzanna Lebran told *Inside Housing* that they had received everything they had asked for and were 'delighted' by the announcement.

'The tenant management unit will now be able to be expanded' she said but added that it was difficult to

The National Federation of Housing Co-operatives have a Model Modular Agreement, which contains a range of options.

Virtually all TMCs take on responsibility for repairs, allocations (within council guidelines), neighbour disputes etc. A few take on rent collection and arrears control, but a TMC cannot evict a tenant. The exact terms of this agreement are crucial. You will need expert advice.



KEY QUESTIONS TO ASK

- Why are you thinking of setting up a TMC?
- Will it solve your particular problems?
- Are there other ways of achieving the same ends?

If you went ahead then:

- 1. How much of the management do you want to take on? How much does the council want you to take on?
- 2. Are they offering you enough money for you to be able to employ sufficient people to do the jobs?
- 3. Is there any money available to repair and modernise the estate and do environmental works to improve the actual housing before the co-op takes it on and after the co-op is responsible.
- 4. You will need a clear legally drawn up agreement setting out the exact terms of the agreement. The financial commitments over enough years to enable you to plan, and what happens if the co-op collapses? The terms of a Management agreement have to be approved by the Secretary of State for the Environment.

WHO CAN HELP?

Whatever sort of co-op you are considering, tenants will need independent expert financial and legal advice. You will also need training in the necessary skills to own and/or manage your own estate: accounting, legal, technical etc. Although you should have enough money to employ staff for the co-op, you will need to be able to keep control in the hands of the tenants and to manage the staff.

Is there any money to enable you to employ experts to do an independent financial and structural feasibility study of the idea? What information will you need to be able to make a decision? Is there money to: draw up the agreements, train the tenants, employ staff and professional expertise?

Transferred Ownership Co-ops: The Housing Corporation and their Tenants Transfer Managers will help you set up a TOC, as it is transferring stock away from council ownership. There is Government money available both in the pre-registration period, and for training when the co-op is set up.

Tenants Management Co-ops: There is Government money for training tenants in TMCs, and several councils have co-op sections.

Secondary Housing Associations can help you set up a TOC or a TMC: NFHC will refer you to a local one. These are specialist organisations run by co-ops and housing associations to provide expert advice to co-ops. Ask around



before you invite one in — make sure that you get one that is trustworthy.

Once you have taken over your estate, the whole nature of your tenants association or group will change from being a pressure group saving your estate to being a management body with the job of running (and maybe owning) the estate. You will have to be democratic and accountable and consistent. It will be an enormous amount of work — do not underestimate how much time it will take!

An ownership or a management co-op will need to employ workers. They should employ them on proper local authority scales of pay and conditions — the NFHC Model has a section on employment practice. Preference should be given to those housing management staff who would otherwise lose their jobs because of your decision to set up a co-op. Tenants management co-ops should aim to employ council service departments e.g. building, architects etc. rather than private contractors. Or the council can 'second' workers to a TMC.

THE ANSWER OR A COP OUT?

Are they the answer to large bureaucratic and paternalistic housing management and the only way tenants will ever have any say in their housing? OR are they irrelevant to most tenants, mainly for middle class single people and a part of the Government's attack on public housing.

The debate about co-ops was raging before the Government intervened. They are being promoted by the Government as part of the policy of breaking up public housing. Like housing associations, they are being transformed to suit the Government's ends. They too will have to rely on private finance, which means high costs and high rents.

There are other ways of getting control and defending your estate e.g. decentralised management, tenants participation schemes and estate management boards.

The National Federation of Housing Co-ops policy says:

"The NFHC actively supports public sector housing and is totally opposed to the privatisation of such stock . . ."

9. MONEY TALKS: THE FINANCES OF PRIVATISATION

Private money — from banks, financiers, building societies, pension funds, construction companies and speculative developers — will invest in anything so long as they can make enough money. If they don't invest then the government's housing policy of moving from public spending to private investment will not work.

ASSURED PROFITS

To attract private investment and private landlords, the Government has to do two things:

1. Make sure rents are high enough to ensure that profit levels are similar to those that investors can get elsewhere. The Housing Act abolishes fair rents for new lettings — and introduces market rents. The Government talks a lot about affordable rents and reasonable rents but they have refused to produce any guidelines or to define these terms. Rents will not be fixed by what tenants can afford. They have to be high enough to cover ALL the costs of private loans, building and management, without any subsidy from the Government.
2. Make sure that investors are not put off becoming landlords by being unable

to evict tenants if they feel like selling the property. An assured tenancy has much less security of tenure — landlords will be able to get rid of tenants much easier, so they can sell the property empty or move in new tenants who will pay more rent. Limiting succession to one spouse also means that properties will come vacant more often.

This is why they have introduced the assured tenancy and the assured shorthold tenancy.

CARROTS AND STICKS

The Government have to do two things — attract private investors with carrots, and beat tenants into "choosing" private landlords with sticks.

Landlords have rarely made enough from renting to poor people for them

to rate it as a good investment or good source of income. But the Government does not want to give money to local councils. So they have a number of other ways to give public money to private landlords.

There are a number of Government slush funds for developers involved in 'urban renewal schemes' which often include doing up emptied council estates e.g. City Grants which only go to developers charging market rents.

The government have recently initiated the Business Expansion Scheme. Millions of pounds is being given away in tax relief to investors in private renting, on condition that they let on assured tenancies. But the subsidy does not reduce the market rents that tenants have to pay. It just makes it more profitable. The building societies and housing associations are setting up BES schemes: Nationwide Anglia's first BES scheme in Richmond Surrey has rents of £600-800 a month

STICKS

Of course a private landlord looks much more attractive if you have also starved the council and the council tenants of any money to do repairs or build new homes. And you are forcing rents up.

The Government is using all its financial powers — over housing expenditure, rent levels and ratecapping, to push councils into selling estates.

Housing Investment Programme money — called HIPS — are increasingly directed to where the scheme involves "privatisation" e.g. selling off some of the estate, turning some of the housing over to "low cost home ownership schemes".

HATs money will not be new money — it is sliced of the top of the HIPS and therefore taken away from other tenants nationally. And tenants voting against a HAT have been told that they will get no more money spent on their estate.

Estate Action money goes to estate improvements approved of by the Government, usually involving the reorganisation of local estate management and estate budgets to encourage privatisation and opting out. The information submitted by the councils to get Estate Action money was used by the Government to justify the HATs.

"Fair rents have meant that rented housing is no longer an attractive form of investment" William Waldegrave MP, ex Minister of Housing.

Homes to be sold for £3,249

By Patrick O'Hanlon

A city's entire council housing stock is to be sold to a private landlord — at a knockdown price of £3,249 a house.

In the face of opposition from many of the 8,000 tenants affected, Conservative-controlled Gloucester City Council's housing committee voted to sell 6,500 homes to the North Housing Association, based in Newcastle upon Tyne. The houses would be expected to fetch up to £50,000 each on the open market.

Tenants opposed to the sale attacked the decision as "absolute lunacy", saying that they will risk eviction and increased rents as a result. It is

believed to be the first such mass transfer of council houses.

North Housing will pay £21.5 million for the properties and has promised to spend a further £33 million, less the cost of the transfer, on modernizing 1,500 of the houses. It says it will ballot tenants before the deal.

The Gloucester Tenants' Federation, which has twice complained to the ombudsman, said that meetings on estates showed that tenants were overwhelmingly opposed to the sale.

"We stand to lose all our security of tenure and risk being evicted", Mrs Anne

Williams, chairman of the federation, said. "We want to stay with the council, not to have an absentee landlord 280 miles up the motorway."

Mrs Williams also dismissed North Housing's pledge to modernize the houses. "It is crazy to expect us to sit back and believe that", she said.

However, Mr Andrew Gravells, of the council's housing committee, said that the transfer would be in the tenants' interests. "I am confident there will be a resounding 'yes' vote from them. What we are doing will protect them from the worst effects of the Government's Housing Bill".

TENANTS EXPLAIN ACCOUNTANT'S PROFIT FIGURES

"The Touche Ross report was based on the assumption that there was no new build, whereas one of the (Council's) main justifications for the scheme was that it was the only way to build homes in the future . . . that there would be drastic reductions in the cost and level of services, maintenance and repairs by at least 13%. That it would be dependent on certain economic conditions and right to buy sales . . . rate of inflation, interest rates which turned out not to be true." (Some of these figures were in fact changed before the final report)

"The Council predicted the rent levels based on absolutely no financial information whatsoever, but just glibly said at the first meetings that rent levels would be kept to 7% per annum, which was roughly in line with what the Council had been charging. Then of course Touche Ross had to justify that within their report, they couldn't do it very easily, therefore although they made computer models using 5,6,7 and 10 per cent, it was clear that for reasonable levels of profit margins, 10% would be better, but there was a paragraph or line in the Touche Ross report saying although this would obviously be better for Crouch Valley, because of all the information that's gone out to tenants about rent increases being kept at 7% it may not be politically expedient".

"So they started at 7% and then worked backwards, which is why they came up with the 13% cut in services!"

Ref: Rochford tenants speaking.



Lobbying Parliament 1988

Philip Wolmuth

FINANCIALLY VIABLE

Consultants are often brought in to work out whether a particular deal is "financially viable". Most consultants know what the council or landlord wants to do, and they work out how it can be done. They will work out the "price" for the sale based on a series of assumptions — see below. And they will work out the implications for a council, in terms of lost rent income, remaining debts, potential government money to bail the council out etc.

There is nothing scientific about this. You only have to listen to Rochford tenants talking about the financial reports done by accountants Touche Ross, for Rochford District Council (see box).

THE PRICE

The higher the price the new landlord pays, the higher the rents for the transferring tenants. The lower the price, the bigger the outstanding debt left for other tenants to pay.

How is the price fixed? Although new landlords do not appear to get any direct grants to buy up council estates, the whole way the sale price is fixed ensures that they make money.

The plan is that council or social housing should be "self financing" i.e. that the tenants should pay for all the costs, and that there will be no subsidies in the future.

But fixing a very low price for an estate is a way of subsidising a new landlord. And the Government will pay off the council's outstanding debts if an estate is sold at a lower price: a 90% subsidy after a voluntary transfer and 75% for a Pick a tenant transfer.

In exactly the same way as the Government has undervalued shares and major public assets to encourage share ownership, they are prepared to pay a high initial cost to achieve their political aims in housing. Public subsidy for privatisation is entirely normal in their eyes. Yet public subsidy for tenants makes them throw up their arms in horror.

The valuation or price of an estate is not calculated in some objective way. Instead they work it out from the income from current rents (and planned increases) minus the deductions for management and maintenance, and interest on capital to buy the estate as a loan over 30 years. They work out how big a loan they can afford, and that's the "price"! But the landlord can also make money from sales of land, higher rents for new tenants etc.

For tenants campaigns, the important point is that in order for a council and landlord to have agreed a "price" they must have made assumptions or guesses about the income and the expenditure of the new landlord which affect tenants.

● Income:

— future rents and rent increases — for current tenants and new tenants who are

not necessarily covered by any agreements on increases.

- service charges
- the sales of homes and their value
- sales of land and its price
- any "dowry" to make up a "negative value"
- any government grants
- tax concessions if it is a BES scheme

● Expenditure:

- interest on the loans taken out to buy the estate
- outstanding repairs — legal obligations
- promised modernisation
- level of services/management on the estate
- . . . and a guess at future interest rates, inflation, building costs etc. And if they get any of those wrong, then rents will have to go up to pay for it.

The new landlord has to raise the money they need to do modernisation or improvements by

- borrowing more money (and increasing the rents)
- by selling off land and homes
- increasing rents .

THE DOWRY SYSTEM

Some estates which are in very bad condition will have a "negative value" i.e. the outstanding cost of repairs is more than the rent income. The council has to pay the new landlord to 'take it away'! This is called a "dowry".

But this only covers the very basic repairs that a landlord is legally obliged to do, and NOT improvements or modernisation. Lots of estates are in terrible condition with damp and condensation, but are not below the legal minimum.

Walterton & Elgin estimate that they should get £50m dowry — more than Westminster spend on all their housing in one year. But most estates would not get such a big dowry, as they are not in such a bad state of repair.

A Dowry is a "bribe" paid out of the Council's HIPs money or its capital receipts from selling estates! That means that it is a direct loss to all other council tenants, and the bigger the dowry, the less repairs everyone else gets.

Estate sales cost the council i.e. the rest of the tenants, and the ratepayer or poll taxpayer money — work out the cost locally. Any outstanding debts left after the estate is sold — minus any government subsidy — have to be paid for from capital receipts or from tenants rents. If there are no tenants left, then by the poll tax.

THE PRICE IS RIGHT?

Tenants campaigns will need to find out what the exact basis of the financial calculations are. Demand to know. It's your home, not theirs. If they refuse, accuse them of hatching a dirty deal and show how other such deals e.g. Rochford

etc have sold out tenants. Key questions to ask include:

- How did they decide the price?
- What assumptions have they made e.g. are they planning to cut services or increase rents and service charges.
- Are they promising to freeze rents AND improve repairs and modernisation?
- How are they going to pay for it?
- Are they banking on selling homes, either on the open market or RTBs, how many?
- Is this realistic?
- How many were sold last year?
- Where will the present tenants be moved to?
- Are they planning to sell off land?
- What for?
- Do they have planning permission?
- Does that mean demolishing homes and building at a higher density?
- Are they going to charge new tenants much higher rents?
- Are they going to introduce service charges?
- What do they plan to spend on management and maintenance?
- Is this more or less than the council spends?
- What assumptions have they made about interest charges, inflation in building materials.
- How many people are they planning to employ — is that more or less than the council.

WHO IS PUTTING UP THE MONEY?

Housing associations and similar landlords will have to borrow the money to buy the estate.

- Who are they borrowing from?
- Is this a joint venture with some private bank or financial institution backed by a building societies etc?
- If they have financial backers already, will they be able to borrow money on the terms that they are relying on in their calculations?
- Are they insisting on terms of tenancy or rent levels etc as part of the loan.
- Are they on the Board that's managing your home?
- Will they do it in your interest or in theirs?

The SCAT/NALGO Database will have information on these types of deals. Use the Questions on Finance in *We are Not for Sale Part 1*, page 23 -30.

Get hold of all consultants feasibility studies or council studies which should have these kinds of calculations in them. You should be able to answer the questions above from those reports. Councillors ought to be able to give you these. If not use the Access to Information Act 1985, see *We are Not for Sale Part 1*, p.5.

You may need help to understand these calculations. Local community or tenants organisations or advice centres may be able to help. Demand money to pay for your own experts advice. If they claim 'democracy' they must give you the resources to enable you to get good advice and information. Contrast the consultants fees and officers time spent on their side with your resources. What about trade unionists who work in the Council, or a nearby council? Try technical aid centres.



SOME EXAMPLES

Thamesmead was valued at £25m, and sold to the new Company for £2.5m after pressure from the DOE. When Yvns Mon Council wanted to sell off all their housing, the price was £3000 a property, even though the remaining debt on each property was still £6000.

Portsmouth Estate in Portsmouth was offered for free. Stockbridge Village Trust took over Cantril Farm and only paid £7.4m for the estate, and the Government wrote off the outstanding £7m. Knowsley Borough Council still owed.

COUNCIL RENTS

Council rents have already more than doubled in the last ten years. They will go up even more in the next few years as a result of the Housing finance regulation changes. And with no more capital money for rehabilitation or maintenance, more and more urgent repairs will be needed and paid for by higher rents or estate sales.

The Government policy on rents is that they should be closely linked with quality of housing and level of service — i.e. the lower the rent you can afford, the worse quality of home you can expect.

THE NEW LOCAL GOVERNMENT AND HOUSING FINANCE BILL

Objectives:

- Cut Government subsidy and make council housing self financing.
- Make housing departments run as if they were businesses.
- Use the money from estate sales to pay off council debts, rather than improve rented housing.

The jargon of housing professionals and activists continually points out how this new Bill will "ring fence" Housing Revenue Accounts. All this means is that councils will no longer be able to cross-subsidise the Housing Revenue Account (see box) and hence subsidise the rents with money from the rates. This will mean massive rent increases everywhere. Estimates for rent rises are up by £30 per week in Central London, and between £8-15 a week elsewhere.

The HRA in the future will only be able to contain specific sorts of income and expenditure. All expenditure on management, maintenance, modernisation, major repairs plus the debt charges on the original loans of all the stock (i.e. including sold off estates and RTB sales) will come out of the HRA. But the only income to the HRA will be tenants rents and any Government subsidy. This gives the Government enormous power to dictate policies on rent levels, repairs standards, privatisation of management, arrears policies and sales of estates.

If they fix the rents so high that the HRA makes a profit, then that has to be used for housing benefit i.e. the poor are subsidising the very poorest.

Capital receipts i.e. the money that councils get from selling homes on RTB and estates, will have to be spent on paying off the council's debts e.g. on building a new leisure centre. Only 25% of each years receipts will be able to be spent on improving council housing.

Council rent subsidies to be banned

Alan Travis, Local Government Correspondent

THE Government is to ban local authorities from using council houses to subsidise rates.

Environment Department officials also indicated yesterday that the reform package would mean the first step away from the "historic cost accounting" has been run for 60 years, i.e. rather than their current market value.

It means councils can borrow cheaply, and has led to surpluses in housing revenue accounts which the Government argues have been a cushion for bad practices and inefficiency.

Mr Ridley said the financial system should be fairer to tenants and poll tax payers when it was introduced in April 1990, and fairer between tenants in different areas.

"Rents generally should not exceed levels within the reach of people in low-paid employment, and in practice they will frequently be below market levels."

"They should, however, be set by reference to what people can pay, and what property is worth, rather than by reference to historic cost accounting figures."

At present average council rents vary across the country by as much as 50% a week, giving a

Big council rent rises on the way

Bill will encourage tenants to move to private homes

Patrick Wintour

A NEW drive to encourage council tenants to move into the private sector, by forcing local authorities to increase, and sometimes double, rent levels, will be a feature of the Government's legislative programme outlined in the Queen's Speech tomorrow.

HA to manage tax break scheme

A housing association in the North East has helped set up a new company to provide rented housing under the Government's new tax incentive Business Expansion scheme, writes Giovanni Ulleri.

Nomad Housing Group, a housing association in Newcastle which manages over a thousand homes, will provide the development and management services to the new BES company Nomad Properties whose shares went on sale this week.

granted next September, with the act coming into force in April 1990, just as the poll tax is implemented in England and inner city areas, the housing revenue accounts mean a

are subsidies from general rate in other London inner city areas, the figures show rents would rise as £20 a week in a boroughs as a proposals. The document acknowledges that will introduce a

Mr Ridley also indicated that Whitehall will have the power to cut the level of the new housing subsidy if it th

HOUSING REVENUE ACCOUNTS

The HRA is a separate Account run by the Council. The income comes from tenants' rents, plus any subsidy from the rates or the Government.

The expenditure includes estate management, maintenance and repairs, plus interest on the loans taken out to build or carry out major modernisation. It is also often used to pay for other more controversial items such as estate lighting, grass cutting, housing advice centres, housing research sections, homeless families provision which are services for the whole community, not just tenants.

Double charging in Housing Revenue Accounts

Many tenants organisations have campaigned to get non-landlord services taken out of the Housing Revenue Account (HRA). They argue that the HRA should be a Landlord Account which only pays for services that a tenant gets from the council as a landlord and not those that other residents get as ratepayers. It's not fair that a council tenant should pay rates to cover parks, street lighting and then be "double charged" by having to pay again in their rents for the gardens and lighting that is on the estate.

The tenants say that their rents and the HRA should pay for nothing outside the front door — the same as any other resident.

10 THE FIXERS

Stealing your watch to tell you the time

The sale of council housing is already the biggest "asset stripping" operation ever. And there are more millions of pounds being paid in fees to firms of consultants to tell councils how to sell their housing, organising the private finances and working for the new landlords. Some of these consultants try and keep fingers in all the pies by also advising councils and tenants how to resist the very deals they are setting up elsewhere!

"When we saw the Governments Housing White Paper we found it suited us very nicely" quote from Howard Mallinson, Consultant with KPMG Peat Marwick McLintock, one of the major consultants firms involved.

HOW DO THEY MAKE THEIR MONEY?

- **Money Brokers:**
 - Bring together councils and housing associations, with private investors looking for a good deal.
 - CIPFA Services plc, the private arm of the professional association of public finance administrators
 - PIC (Property Investment Company) plc set up by the Trustee Savings Bank.
- **Fixers:**
 - City firms of solicitors such as Oppenheimers, (Walterton & Elgin) and Trowers & Hamlyn (Rochford) can also be employed to draw up the legal documents for the sale.
- **Management Consultants:**
 - Accountants and businessmen who will advise the council how to run their housing as a business — and that will usually include advice to sell estates.
 - Capita
 - Coopers Lybrand
 - KPMG Peat Marwick McLintock

"Our aim is to stimulate the flow of private finance into social housing"
Patrick Gardner. PIC plc Gdn 10/5/88

WHAT SORT OF THINGS DO THEY DO

- Advise Councils on the best financial arrangements for a voluntary transfers.
- Make proposals about how an estate

could be made "attractive" to private investment, for instance: improve the environment, increase rents, advise on government grants for developers.

- Arrange barter deals — draw up a profitable package, and interest different developers.
- Put local authorities in touch with private landlords and private sources of finance.
- Set up partnership deals with housing associations and private money to take over housing.
- Assess tenants views on being handed over to a HAT.
- Approach local authorities on behalf of private landlords who are looking for suitable estates to buy.
- Advise on setting up new types of private landlords e.g. trusts, bogus housing associations etc.
- Their accountancy section often act as auditors for councils as well as housing associations! As Tower Hamlets Tenants Federation said "If the Government's plan is to get local authorities to acquiesce (to HATs) through poverty then Peat Marwick McLintock are in a very good position to know when starvation sets in". (City Limits 17.11.88)

- They work for the Government: Consultants were given the job of producing the "evidence to justify designation" of HATs, and to work out how the HAT Board could sell off the estates.
- Coopers Lybrand even worked on the plans for the Housing Finance legislation.

In fact they will do anything they are paid to do!

PACKAGED TO LOOK NEUTRAL!

When they advise on estate sales, tenants will need to get access to the feasibility studies and the financial predictions. Their reports are often very similar

TSB in council houses venture

BY ANDREW TAYLOR
A GROUP has created a company specifically to help local authorities transfer up to 45m council housing stock (to private) which claimed yesterday the first financial services to make such a move, has formed a joint venture, Property Investment Services, a local authority company which English and Welsh local authorities are considering plans to transfer their housing stock mostly to housing associations. At least one council, Tayside, in Scotland, is considering a proposal to dispose of its 6,000 council homes to a private company heralds market place disciplines

TSB to advise on council sell-offs

Alan Travis
Local Government Correspondent
THE Trustee Savings Bank yesterday became the first major banking group to become involved in the sale of council estates. It announced the formation of a Property Investment Services, a local authority company, which will advise local authorities on selling off their housing stock. More than 100 authorities have already expressed an interest in divesting themselves of their housing estates and many have started to examine and how to channel finance from institutional investors. Mr Gardner feels that if the social housing market takes off, it could provide an investment source for the City which, by the year 2000, could be worth up to 540 billion. "If a mass market is to develop in transfer, rather than just a few oddities, the local authorities housing departments will have to transform themselves into something which institutional investors regard as a business. A great deal of detailed valuation work would have to be undertaken on the estates to be transferred and Mr Gardner suggested that City money was

wherever they are. They just repeat "off the peg" legal and financial proposals. They have computer models for working out the profit and loss account for a housing stock and standardised legal constitutions for new landlords. They will present a "technical" and supposedly "non-political" justification for selling estates.

Don't be taken in. They know nothing about providing a decent housing service for tenants. They only know about introducing private sector business methods and business values. They see your home as a nice little earner, a realisable asset, security for a loan, a source of profit.

Demand copies of reports they have done for other councils. Talk to the tenants in that area. CIPFA refused to allow Rochford tenants access to their Study, because they were hoping to sell the same "product" to other councils. But many other tenants groups or trade union branches have got hold of their reports, and can tell you the results of their studies. The SCAT/NALGO Database can give you information on these Consultants, and the estate sales they have been involved in.

CIPFA SERVICES

Although they are the private arm of the Chartered Institute of Public Finance and Administration, they do not have any official or professional status. They are a



Demonstrating against Westminster's housing policies Philip Wolmuth

private company, and a management consultancy like many others, but specialising in financial advice to public sector bodies with no experience of finance markets.

They work very closely with housing associations e.g.

- setting up the £65m flotation on the stock exchange of North Housing Association.

- setting up The Housing Finance Corporation to raise private finance and act as bankers to housing associations.

- With the Housing Corporation, National Federation of Housing Associations and James Capel the Stockbrokers, forming a specialist Private Finance Unit.

- CIPFA Services have been advising Rochford Council how to sell off its stock

- CIPFA Services are retained by Guinness Trust and by North & North British HAs as brokers

- Advising housing associations wanting to buy Coal Board Houses and Warrington and Runcorn New Town Houses.

There are some new breeds of consultants setting up businesses to "persuade" tenants to vote for estate sales. They are employed by the council or by the new landlord to get the result they want — see the HATs consultants. They present themselves as community-work type consultants who will "work with" the tenants to draw up a privatisation package that the tenants will vote for. Do not be fooled. This is not the way to defeat estate sales or HATS.

PEAT MARWICK McLINTOCK

Peat Marwick McLintock specialise in urban renewal and the disposal of council housing. They are part of a major multinational accountancy and management consultancy firm. Their American subsidiary sponsors a group of management consultants called the Privatisation Council whose aim is to promote the privatisation of public services. Their slogan is "Now is the time for Privatisation: the public use of the private sector".

They have set up an Urban Renewal Consultancy. None of the consultants have any experience of housing management or consulting with tenants. They are accountants, bankers, administrators.

They have close connections with the Government and its policies. They were chosen to do the HATs reports to justify imposing HATs in Tower Hamlets, Lambeth, Southwark and Sunderland.

Staff previously worked for Heseltine Task Force on Merseyside and were involved in setting up the disastrous Stockbridge Village Trust. McLintock staff were seconded to the DOE to develop the Urban Development Grant to make cash available to property developers and then they sold their expertise in claiming that same grant!

They keep close links with housing professionals. Several of them used to work for local housing departments in the development and finance sides (not estate management). Some came from housing associations.

Peter Chapman is an advisor to the Institute of Housing and wrote the paper on "partnership" that encouraged many housing managers to set up "management buy outs" or voluntary transfers of council housing. They are retained by companies who are interested in buying council property such as Laings, Woolwich Building Society, Sutton Housing Trust, United Kingdom Housing Trust. They are employed by councils who want to sell.

In Spring 1985 KMG Thomson McLintock were employed by Labour controlled Langbaugh Council to assist in the sale of the Spencerbeck Estate to Barratts. This was one of the first estate sales. They set up a deal in which Barratts bought the houses empty for £5000 each, a UDG Grant for £4000 was obtained to smarten the houses up, and Barratts sold them for up to £20,000 each.

Most of the 177 tenants on the estate were moved out to less desirable homes. But two tenants refused to move. The Council tried to evict them, and after a years campaign by the tenants, the eviction notices were withdrawn.

The District Auditor criticised the scheme as taking no account of the financial implications for the council, or of the loss of the housing stock. This is the kind of anti-tenant advice consultants will continually give out.

WHAT TO DO ABOUT CONSULTANTS

- Find out who they are and what their record is? What have they been involved in elsewhere? The Database should be able to help.
- Make sure everyone on the estate knows who the consultants are and what their involvement means. Photographs of the consultants can be photocopied and put up round the estate warning people.
- Refuse to co-operate with them until you know what their exact terms of reference are, how long it's going to take, what they are going to produce e.g. a written report, advice to officers etc. If their terms of reference do not include advising on how to avoid selling homes or estates, preserving low rent homes, and improving the quality of life for the existing tenants, boycott them.
- Don't answer any questionnaires, show them round your estate or in any way help them with their job.
- Work out alternative plans for the future of your estate. What kind of housing do you need? What about the social and environmental conditions? What about jobs for the unemployed.

● How much are they being paid? All their fees come out of money that could otherwise be spent on improving services for tenants.

● Demand that the consultants come to a public meeting to explain what they are doing. Their draft findings and recommendations should be discussed with the tenants, before they are finalised, and tenants must get copies of any report. Demand that tenants get copies of any report.

● Contact the Town Hall trade unions. Tell them what the consultants mean and who they are. Why are private consultants being brought in at all? Surely the necessary expertise plus local knowledge exists already in the council? The trade unions should also demand access to the consultants — because of the threat to jobs.

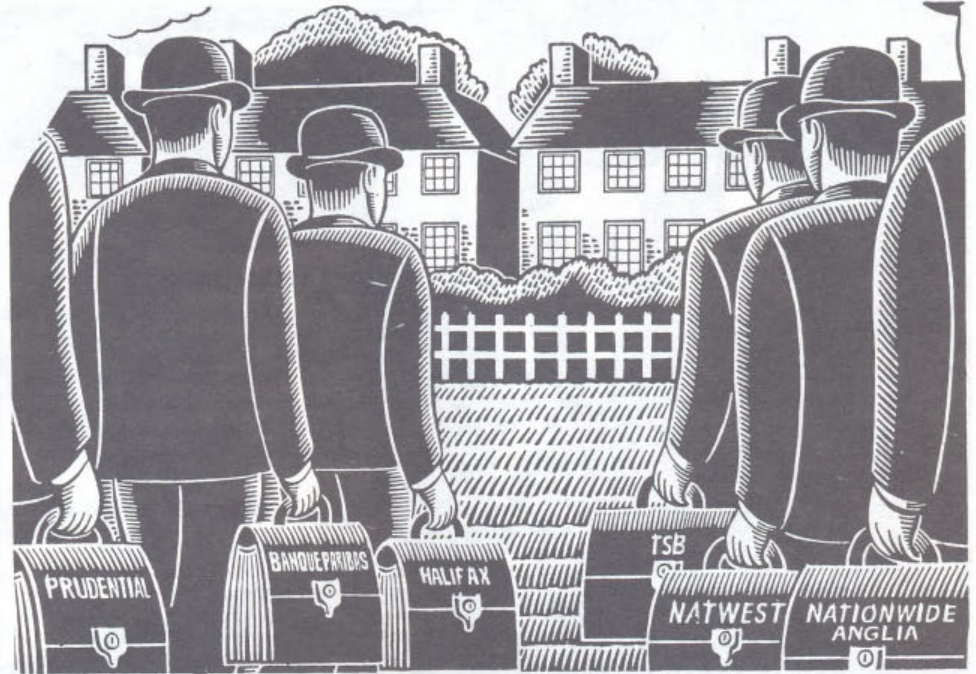
● Demand that the council informs tenants and trade unions of any contact with consultants — whether approaches by them on behalf of new landlords, or discussions initiated by the local council.

The consultants like to work in secret. Publicity about their activities and implicating them in unpopular schemes is bad for their public image.

They make lots of money out of councils. The Association of Metropolitan Authorities Housing Committee called on their members to boycott all consultants involved in HATs.

RAIDS ON CONSULTANTS

When the Government employed Consultants Peat Marwick McLintock, PIC, PIEDA, and Price Waterhouse to provide the evidence for setting up



Housing Action Trusts, the tenants chased them off the estates and refused to talk to them. When they reported to the DOE they admitted that they had not been able to get any information from local tenants, community groups or the councils.

When MORI Polls tried to pay Sandwell tenants £10 to come to a meeting and talk about HATS, they were picketed. Sandwell tenants paid a surprise visit to Price Waterhouse consultants offices in Birmingham. Lambeth and Southwark tenants invaded the offices of Property Investment Company (PIC) Ltd.

Documents that came into the hands of the tenants showed the consultants were certainly not independent or concerned about the tenants views. The tender documents submitted by Peat Marwick McLintock and PIC Ltd to win the HATs contract said that the studies would **“deliver to Ministers the successful result they require, namely: the successful transfer of revitalised housing estates with a good future out of the ownership of the HAT into the ownership of the private sector”**. They won the contract!

CONSULTANTS ON YOUR SIDE?

If you need help to take over your estate and/or you need help to get the best deal or you need help to draw up your alternative plan then there are some consultants and individuals who have a good record of working for tenants.

Contact those tenants that have had that experience. Hulme tenants in Manchester and Walerton & Elgin

Tenants have both employed consultants and will give you their advice.

Most of the existing ‘friendly’ architects, planners etc are used to working on co-ops. Don't get stampeded down that road unless it's where you want to go.

CASE UK, SCAT and local tenants groups may have some ideas. *We are Not for Sale Part 1*, page 11 will help with alternative plans.

What to look out for

● get a “no-strings” grant to employ a consultant yourselves. Even if a consultant is told by the landlord to work to the tenants committee, they know who is going to pay at the end!

● draw up the “terms of reference” very carefully. It should say in detail what you want them to look at, and what options you want them to consider. It should also say what the unacceptable solutions are. Set up a tenants steering committee whose job is to monitor very closely what they are doing.

● demand access to all the information that they collect, so you can question their conclusions and recommendations.

● only chose consultants with a proven record of commitment to tenants

● get references where they have worked before.

● make clear rules about who they can talk to - you don't want them setting up deals with landlords or bankers do you?

And finally, show their draft report and recommendations to other trusted people, who can check their calculations and interpretations of the law and every assumption and statement in their report!

11 STAYING WITH THE COUNCIL

Tenants face very difficult times. The Government will do everything it can to "persuade" and bully tenants into choosing a private landlord. Massive cuts in housing expenditure and spiralling rents are deliberate. They are meant to encourage tenants dissatisfaction and fuel estate sales.

However, the evidence of the ballots, petitions and opinion polls carried out prove that the overwhelming majority of tenants want to stay council tenants. But we cannot afford to be complacent. Tenants fighting the sale of their estate will have to look at what staying with the council may mean, and how the councils own service can be improved. They will need to convince their neighbours that staying with the council is worth it. Not just that the private landlords are bad.

WHICH IS BEST

And some tenants will still feel, after all the arguments, that transferring to a new landlord OF THEIR CHOICE may be better than staying with a council that is determined to sell them off.

Tenants who have fought off developers and defeated attempts to sell them off to housing association, or tenants who know that their landlord is determined to get rid of them, may decide to find a landlord who wants them, rather than just waiting for their council to sell off what they can and let the rest deteriorate.

CASE UK'S POLICY

CASE UK's policy has always been that we are not trying to save council housing or housing department empires for their own sake, but because at the moment, they offer tenants the best deal. We judge landlords — all landlords — on the basis of tenants interests:

- rent
- security of tenure
- tenants rights
- repairs and modernisation
- equal opportunity policies
- allocations policies
- consultation and tenants control
- homes for the homeless.

Staying with the council will also mean major changes. Rents are going to be forced up, while management and services get worse. As housing departments come under more pressure, there will be less consultation, fewer transfers and stricter attitudes on arrears, illegal tenants etc. But there is scope for changes — and they need to be worked on NOW.

LOCALLY BASED HOUSING MANAGEMENT

Council staff based together in local offices, working as a team, and with tenants having a say in spending priorities and monitoring, can bring significant improvements in tenant satisfaction, with no substantial extra cost.

Maiden Lane Estate in Camden is only a few years old. Yet it needs major structural works, and is one of the most unpopular estates in the borough. Tenants are campaigning for an estate based management and repairs team, with local allocations, and tenant involvement. They feel this is the only way that their estate will get sensitive policies and the attention it needs.

JOINT MANAGEMENT SCHEMES

Tenants on the Barnfield Estate in Greenwich are setting up an Estate Management Board, which will be made up of tenant and council nominees with tenants in the majority.

It will have a Management Agreement with the council and be responsible for the day to day management. It is similar to a Tenants Management Co-op, but can build up tenants involvement slowly.

Belle Isle tenants in Leeds voted for an Estate Management Board. In a ballot with a 51% turnout, 93% voted in favour. Leeds Council will delegate its management powers to a Board of 50% tenants and 50% council officers. The Government agency 'Priority Estates Project' are promoting these Boards in many areas.

Contact other tenants groups who are working with a Board, and those that decided against to see what their experience is. Does it offer tenants control? Or is it the first step to privatisation?

CAMPAIGNING FOR A NO VOTE

The Government are relying on tenants apathy and anger with their council landlords to achieve what the Government could not do directly — the sale of thousands of council homes.

But instead when tenants found their estate was for sale, they have campaigned against that sale. And when tenants realised the reality of "Pick a Landlord" they opposed the Housing Bill.

The Housing Act 1988 ironically gives tenants more rights and opportunities to fight sales than they had before. Which is why so many sales are being done under the 1986 Housing & Planning Act.

Ballots can be won. But its hard work to get the NO vote.

Rockford Housing Action Group, Raleigh & Keworth Tenants Association and Rockford & Stambrook Tenants Association

SAY TO ALL ROCKFORD TENANTS

THINK!

DO YOU REALLY WANT TO RISK YOUR FUTURE?

If you want to stay a Secure Tenant with the Council, vote I AM OPPOSED TO BOTH (1) AND (2)

1. Crouch Valley HA Ltd to become the owners of the housing stock
I'm in favour of the proposal
I'm OPPOSED to the proposal

2. Crouch Valley HA Ltd to manage the housing stock
I'm in favour of the proposal
I'm OPPOSED to the proposal

VOTE TO OPPOSE

REMEMBER — IF YOU DO NOT VOTE, THEN IT WILL BE ASSUMED YOU ARE NOT OPPOSED TO THE TRANSFER TO CROUCH VALLEY

● This kind of campaign cannot be won by a few active tenants — you have to convince everybody to actually vote NO.

● You will need to do a lot of doorknocking to explain to people what the is going on and to answer their questions. Practical advice on campaigning on this issue is in *We're Not for Sale* Part 1.

● The landlord or the council will put out their own glossy leaflets, organise meetings, pay consultants. You will have to be able to expose who the landlord really is and what they are really offering.

● The landlord or council will try and smear you — they will call you unrepresentative, scaremongering, outsiders, politically motivated etc.. Unless you have made sure that all the

tenants know who you are and what the campaign is about, you could lose votes.

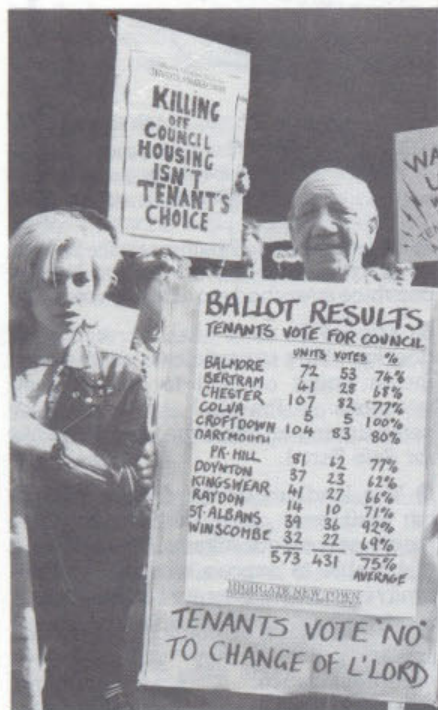
● You have to have a really democratic and open organisation — so that you keep all the tenants together, and because you will need all the help you can get.

● This is not just an issue for the tenants directly affected. It also has implications for all the community; for all those who might want rented housing or sheltered housing in the future; whose children will want to stay in the area and can't afford to buy; for all who are homeless now. It's about a loss of secure jobs. It will seriously affect owner occupiers on the estates. A wide community based campaign is really important.

Where there hasn't been a good TA, tenants have joined with others in the community to organise the campaign, (see the Rochford report). And estate based TAs have formed later.

● Lots of tenants are not in TAs. Lots of tenants don't live on estates but in scattered houses. Tenants on other estates will not necessarily know what's going on. So — get invited to talk to every organisation you can find in your community: sports clubs, under-fives groups, pensioners groups, trade unions, ward political parties — anywhere where you will find people who live in rented housing or should be concerned with the future of your community. Leaflet the schools, bus stops, launderettes, the pub etc.

● You have to have some ideas of the alternative. Tenants will need to be convinced that staying with the Council is the best bet. And that things can be improved. (see *We're Not For Sale Pt 1 p.11*)



Tenants vote no to new landlords Andrew Wiat

THE CHARTER

● Information

The Council agrees to give easy and open access to all information on any move to privatise any estate, any part of housing management or to introduce private sector organisations or housing associations into any housing scheme. This information will be available to all tenants directly affected, to tenants organisations and to the trade unions whose jobs are affected by any such scheme. The information will be in a useable form and language.

The Council will investigate and fully report on:

- the effect on rent levels
- the effect on terms of tenancy
- the effect on security of tenure
- the effect on future tenants
- the effect on homelessness, waiting, transfer and exchange lists
- the overall need for housing in the district
- the social, financial and psychological effects on existing tenants
- the exact details of any compensation involved
- the level of income and expenditure on the estate or block for the last 10 years, and the amount of money needed to bring the estate to a good state of repair
- the effects on the council workers, and any loss of jobs

This information will be available before any decisions are made to investigate or proceed with such a scheme, and/or as soon as the Council learns of such a scheme.

● Consultation

In the event of any proposal involving the transfer of council homes, the council agrees to:

- notify the tenants, tenants organisations and trade unions concerned immediately
- make clear the stages and timescales involved in considering any proposal
- make immediate arrangements for full and frequent consultation
- offer grants to tenants to assist them to investigate the proposal, decide their own views and explore alternative plans for the estate.

The Council will conduct all consultation exercises with tenants and trade unions in good faith, shall give due regard to their views and will negotiate with them about any proposed transfer or sale. The Council will not proceed with any transfer or sale without the approval of the tenants and trade unions.

The Council will not conduct secret negotiations with prospective landlords, developers or consultants. Tenants representatives will be fully informed and invited to attend any meetings, briefings or presentations.

The Council will make public any communication with the Secretary of State concerning any application for his approval for any disposal or declaration of a redevelopment area or a housing action trust.

The Council will not reveal confidential details of tenants or long leaseholders to any developer, HAT or landlord including rent record, household details, or any other private information.

● Investigation

The Council will investigate the financial, management and social record of any organisations wishing to be involved in the take over of council property. Any information supplied by tenants and trade unionists will be taken into consideration.

● **Standards of building and management.**

The Council will do everything in its powers to ensure that any developer, housing association or other private organisation conforms to the same standards of building work, repairs and maintenance, equal opportunities, training, wages and conditions, health and safety and quality of service that are set out in council standing orders and policy.

● **Terms of Tenancy**

The Council will do everything to ensure that terms of tenancy, state of repair and levels of rent of transferred tenants are equivalent to or better than those that existing secure tenants enjoy.

● **Eviction**

The Council agrees not to use Ground 10a of the Housing & Planning Act 1986 to evict tenants or to force them to move against their will.

● **Alternatives**

The Council agrees to investigate every alternative to a privatisation proposal as a means of improving living conditions on that estate, or the housing stock generally. The Council will set out those alternatives in writing for consultation.

● **Resources for Tenants**

The Council recognises that no true or meaningful consultation with tenants can take place while tenants and their organisations have no resources or expertise to draw on. It agrees to match its own expenditure, in time and money, with grants to tenants or their organisations to carry out their own consultations and investigations and to campaign for their point of view.

The Council agrees to properly fund and resource the tenants own organisations to provide the research, information and training that tenants will need to campaign to win a ballot. This applies whether it is against a voluntary transfer, a Housing Action Trust, a private landlord or a housing association

● **Time off for Trade Unions**

The Council agrees to time off for trade union duties associated with any proposal which will affect the jobs of current employees.

● **Assistance to non-council tenants**

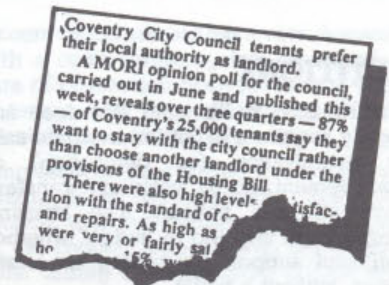
The Council recognises that it has a responsibility to existing and new private and housing association tenants to enable them to defend their homes, terms of tenancy and other legitimate interests against the landlords.

The Council has public health, planning and building control powers that it will use to improve the living standards of tenants, whoever their landlord.

● **Ballots**

The Council agrees that it will not transfer stock using the rigged balloting system as set out in the Housing Act 1988. It will only transfer after consultation with the tenants and using a ballot that requires a majority of those affected to be in favour.

The Council will not do business with any housing association that does not abide by the National Federation of Housing Associations Guidelines on estate sales and ballots; nor with any private approved landlord that uses the rigged ballot.




ORGANISE A CHARTER NOW

Tenants campaigning to keep private landlords off their estates will need and demand support from the council. This Charter sets out the practical and public help that a council or councillors can give. For tenants who are fighting their own council plans to sell them off, the Charter has ideas for demands you can make during your campaign.

Too many councils are reacting to the threat of predatory landlords and finance changes by panicking and selling off estates themselves — which means tenants lose all their rights. The council cannot stop a Part IV "Pick a tenant" bid, but they can help tenants fight it.

Get your councillors, trade unions and tenants associations to adopt this Charter now. Don't wait until a proposal for sale or transfer is made. The Charter is a very effective weapon in keeping predators away or in giving you an early advantage if a possible sale is threatened.


It aims to give tenants and trade unionists the ammunition they need to defend their homes, their jobs — and homes for future council tenants. With time, help and information tenants can defend their interests — many successful campaigns have shown how it can be done.

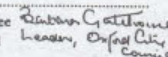



CHARTER OF INTENT

Oxford Federation
of Tenants Associations
and
Oxford City Council

We, the undersigned agree jointly to oppose, with all means at our disposal, any attempt by private landlords, or other landlord bodies, who attempt to bid to take over council homes and related services and which tenants believe not to be in their interest and to work together to improve council housing services and maintain an open and democratic provision of housing.

signed  _____
Chair, Housing Committee
for Oxford City Council

signed  _____
Rainbow Cuthbert
Leader, Oxford City Council

signed  _____
for Oxford Federation of Tenants Associations

PETITIONS

The Housing & Planning Act does not legally require a Ballot for an estate sale or privatisation (or delegation) of management (so far voluntary transfers have all held ballots). The Housing Corporation is going to "judge" whether sufficient support for selling an estate exists, without a ballot.

If they refuse to hold a Ballot, then a carefully collected petition is hard evidence of your opposition.

- Draw up the wording very carefully.
- Get hold of a list of all the addresses of secure tenancies or leaseholders who would have a vote. This is NOT the same as all tenants.
- Mark up the petitions with all the addresses listed.
- Go door to door, get the tenants — preferably the name(s) on the rent book — to print their name against the address, and sign it.
- Go back to every door until you have completed the petition. Keep a list of those that will not sign.
- When you have a good majority — a minimum of 51% of all tenants for a sell off, more than 90% to be sure of stopping the Housing Corporation — make several photocopies of the Petition and you can use it for lots of purposes.

Presenting the Petition — a photocopy of the original is safer, in case they "lose" it — with lots of publicity and press coverage, and the amount or percentage majority of tenants signing it. Take a delegation to the Department of the Environment, the consultants, the Housing Corporation, the new landlords, your council — any and all of them.

A Petition may also be useful if you have to go to Court to challenge the results of the consultation with tenants!

WILL YOUR COUNCIL HELP?

Get your council to draw up an agreement with local housing associations that they will not make a "predatory" bid under the Housing Act to take over estates. Greenwich Council did this and many other "social compacts" are being discussed. The Council can withdraw its co-operation and financial support over planning, nominations, land deals, transfers etc to enforce the Charter. The Housing Corporation asked a number of housing associations in Hackney to get involved in bids for Hackney estates, telling them that the tenants were in favour. The Council had signed such an agreement, and was able to persuade the associations to have nothing to do with it.

Get your council to publicly sign a Charter of Intent with their tenants agreeing to "jointly oppose" any attempts to privatise council homes, and to work together to improve council housing. The local press will cover the event, and it lets tenants know the council's position. Leicester and Oxford did this.

The six HATs campaigns had very different amounts of help from their councils. Ridley had already said that he would ignore any council propaganda against the HATs as "political tomfoolery". It meant that all the anti-HATs work had to be done by the tenants. They urgently needed money and yet most of the tenants groups fighting HATs reported that they had little real help.

If your council says that it cannot give money to campaigns, then get it to employ a Housing Act Information Worker who can do the research and training that local tenants will need to make a real choice. The tenants affected can do their own campaigning!

So far none of the councils planning to transfer their whole stock have given their tenants either the information, resources or opportunity to find out for themselves whether its in their interests, as the council insists. Yet another example of how Tenants' Choice is really the Landlords' Choice.



Crouch Valley tenants celebrate victory Andrew Wiant

12. JOBS UNDER THREAT

Selling off estates to private or privatised landlords does not just affect tenants. It threatens everyone involved in organising and delivering a public housing service. Not only does it threaten their job but their wage levels, terms and conditions as well as their job satisfaction. This section examines the threat to jobs from sales as well as the opening threat from a new breed of private managing agents.

RANGE OF COUNCIL STAFF AFFECTED

Housing Department staff, caretakers and estate maintenance workers and repairs teams are all directly threatened. Personnel, legal, financial, and other central service departments will also be cut back as there is less work.

HATs (see Section 4) will take over not just housing management functions, but also planning controls, public health powers, highways and sewage and even housing benefit. Large scale voluntary transfers will mean the closure of the whole housing department.

Some staff may get jobs with the new landlords. But it will not be the same. Workers will lose national pay and working condition agreements, rights of appeal and pensions etc..

A VERY DIFFERENT JOB

And the job will be different too. The new landlords — whether traditional private landlords or housing associations will be, as the Government White Paper put it, subject to the disciplines of the market. Money matters will dominate the management policies. Services to tenants will be cut to save money. Policies on arrears, transfers and succession will be determined not by social policies, but by the implications for rent income.

Council housing departments already face having their Housing Revenue Accounts "ring fenced". This means that housing will be run as a trading account. There is no money for new build, for capital schemes etc. Repairs are increasingly only going to be done as part of a "partnership" or privatisation deal with private construction companies and finance. Councils are already forced to put repairs and modernisation work out to cowboy builders.

HIPS money is being cut. And increasingly HIPs cash is being spent at the direction of the DOE on privatisation projects, with private companies. Or on refurbishment schemes using MSC labour.



Non-resident Caretakers, Estate Cleaners, Parks and Grounds Maintenance workers are all threatened by the Compulsory Competitive Tendering.

The Government is attacking public service jobs and local democracy. Housing departments are as much under threat as other services.

TENANTS AND TRADE UNIONS

The only way to save council housing, is if tenants vote **NO** in the Ballots. Strong independent tenant organisations are fundamental to this fight.

But Trade Unions have a crucial role to play in supporting tenants campaigns.

Tenants groups have little money. The **NO TO HATS** Campaigns relied on money raised through the Unions, and successfully forced the Government to amend the Housing Act to give them a Ballot. Tenants from the HATted estates feel confident they will win that Ballot — saving hundreds of council jobs.

Donations of cash, paper, printing, leaflets, posters are welcomed. Help to

leaflet estates, collect petitions makes a difference. Contributions to a coach to London to deliver a petition makes all the difference.

In the Southwark HATS campaign, a tenant and a trade unionist went door-to-door together. This did a lot to improve relations on the estate between tenants and council workers.

In Arun, Sussex, in the absence of a tenants organisation, the local NALGO ran a campaign to persuade tenants to vote against a voluntary transfer. They won.

SHARING INFORMATION

Trade unionists in the housing department quite often know about the plans months before tenants find out — that information should be passed on to tenants as soon as possible.

Trade unionists often have access to specialised information — about plans, background figures etc. which tenants can use in their campaign. Trade unionists are often also experts in the law, finance, writing press releases, etc. Or they know where to find that expertise.

Trade unions should also be organising their membership in the housing department to defend their jobs by:

- Non co-operation with the new landlord.
- refusing to draw up plans for privatisation.
- challenging the handing over of confidential information about tenants.

Some Unions will find that senior staff are closely involved in management buy-outs, or in setting up bogus housing associations for a voluntary transfer.

Even when housing department staff are guaranteed their jobs, they should still be helping tenants to find out and understand what the implications are, and to win the ballot. They should be working with repairs staff or central department staff whose jobs are not guaranteed. The experience in boroughs who have privatised their refuse or other services, is that stewards or union activists are rarely offered jobs!

It's not just trade unionists jobs that are at stake. It's also their homes. Low paid workers and retired workers are often living in council housing. Get support from unions representing health service workers, bus workers, shop workers, office cleaners and the local factories.

And it's not just trade unionists who can help tenants. It was the joint campaign by tenants and trade unions which fought off Grand Met Ltd from doing a feasibility study to take over an area housing office in Wandsworth.

Laws against trade union action and secondary picketing do not apply to members of tenants groups. They can picket an office and obstruct the private company in ways that trade unions now find difficult.

The SCAT/NALGO Landlord Database, paid for by NALGO, provides information to NALGO Branches and to all tenants organisations about the private landlords involved in buying up council estates. NALGO realised that the information was crucial to tenants campaigning for a NO Vote which was the only way NALGO members jobs would be saved.

Contact the Database: 0742- 727484 - 24hr ansaphone or write to SCAT, 1 Sidney Street, Sheffield S1 4RG.

Public Service Action, published by SCAT, has regular coverage of the privatisation of housing and other public services. See also *WANFS part 1* page 17 on organising with trade unions.

TENANTS OPT OUT

In some areas tenants are looking at choosing to opt out. In Tory areas such as Westminster or Bradford, where the tenants feel that the Council is determined to sell them off somehow, tenants are looking at setting up tenant controlled companies or co-ops to take over their housing.

In a number of Labour councils, tenants are being encouraged to investigate management and even ownership co-ops, as the way to improve their housing.

Tenants are already demanding major changes in the way housing is repaired and managed as the "price" of them voting to stay with the council.

Union branches are going to have to look at these proposals carefully. If when you have talked to the tenants, you agree with their plans, then it is possible to negotiate with the tenants to minimise job losses.

Management Co-ops can use Direct Labour Organisations. Council staff be seconded to carry out the management tasks under the control of the co-op. Staff can be redeployed within the council, or employed by the new landlord. Housing management has to stop being bureaucratic, paternalistic, prejudiced and inefficient if it is to win the loyalty of tenants.

But all of this requires the housing staff, the unions and the tenants to be on friendly terms, to understand each others point of view and trust each other. Its not easy. Do not leave it until there is an immediate threat.

From NALGO Housing Pack:

"Council housing has been a major factor in improving the health and living standards of working people in this country. However it has also been provided from on high, often with little thought or consultation with the customer — the tenants. This has to change if council housing is to be defended.

Trade Unions, tenants and local authorities need to work for better housing even when the financial constraints on councils are so severe. Tenants must be recognised as the consumers of housing services. Trade Union members working in housing and local authorities need to remember this. Only by providing decent housing services that tenants value will we be able to hope to retain direct provision of housing and jobs."

PRIVATISATION OF MANAGEMENT

Housing & Planning Act 1986 (S.10)

The Secretary of State for the Environment has to approve the detailed agreement and the new manager. The council has to consult with the tenants. The Secretary of State "shall not give his approval if it appears to him that a majority of the tenants . . . do not wish the proposal to proceed".

Councils can privatise the management of their estates to another body. This could be a private company, a housing association, a co-op or some kind of joint management arrangement.

The council continues to own the housing, and tenants remain secure council tenants paying council rents. Money for major repairs and modernisation will still be the responsibility of the council. But the way your homes are managed would be decided by a private company.

MANAGEMENT AGREEMENTS

The Council draws up a **MANAGEMENT AGREEMENT** with the management company which can include all or any of the housing management tasks now carried out by the housing department.

There are a number of ways this could happen:

- The council pays the company a fixed fee for carrying out the job — equivalent to the costs of the staff etc plus profit.

The council hands over all rent collecting to the company who has to use that income to manage and maintain the estate — and by cutting corners can make a profit.

Campaigning against the privatisation of management should focus around

- the details of the agreement and the implications for tenants — which the council is supposed to tell you
- demanding a ballot, or organising a Petition to the Secretary of State
- scaring off the private company who wants to run your housing.

In 1983 Tenants in Wandsworth led a joint campaign with NALGO members to get rid of Grand Metropolitan plc — a multi national hotel and tourism chain. Tenants picketed the housing office every day and stopped Grand

Met doing a feasibility study for the privatisation of management. Since then, no council has tried to do it, and none of the big contractors have expressed any interest. However recently the idea has reappeared.

CONSULTANTS SUGGESTING CHANGE

Privatising management has been suggested by consultants to some district councils as an alternative to a voluntary transfer. Where a transfer is not financially "viable", or, as in Rochford, where tenants defeated the proposal in the ballot, privatisation of management would get rid of the responsibility of day to day management, and distance the councillors from responsibility for future decisions about repairs and service levels.

After a "pick a landlord" transfer, the council could find that the leaseback tenants are scattered all over the estate. They could employ the new private landlord of the rest of the estate to manage the remaining council tenants as well. As in other council services, there will be senior housing officers who set up private companies to win the contract to manage the housing — called management buy-outs.

A number of housing associations have expressed interest in expanding into managing housing, on behalf of other landlords. They could take over council stock, without having to buy it. Or they could set up joint "approved landlord companies" with private investors with no experience of housing management. The practice of private landlords employing local managing agents to collect rents is very common.

The Housing Finance Bill in 1989 will introduce ring fenced housing Revenue Accounts (see section 9). This will in effect force all housing departments to cut management costs and operate as if they were a business, and pave the way for privatisation of management.

WHAT EFFECT ON JOBS?

Existing housing staff would be made redundant. They might get employed by the new company, but they would no longer be on national pay scales or conditions.

Councillors would no longer be in control of the day to day management — complaining to your councillor would have no effect. Tenants would find it difficult to have any control.

Policies on arrears, neighbour disputes, equal opportunities etc could be left up to the Company. And their interest would be to cut corners and save spending on management tasks.

13. THAMESMEAD TRAGEDY

Thamesmead is held up by the Government as the shining example of how a private trust can run housing better. The new town on the outskirts of south east London is now owned by a private company. A Ballot of the residents voted for the trust rather than the local council's alternative — but within months it had become a private company. It's sordid history shows how such Trusts offer nothing but problems to tenants.

THE LONDON LAND BANK

Thamesmead was built in 1967 by the GLC. It houses 20,000 people and has space for 20,000 more. Three quarters of the homes are rented, the rest owner occupied. It has substantial land suitable for commercial development, and three and a half miles of desirable riverbank.

When the GLC was abolished, the residents were offered two choices:

- The "Greenwich option" which was a trust controlled jointly by L.B. Greenwich councillors and elected representatives from Thamesmead residents.
- The Thamesmead Community Trust which was described as "independent", and would have a majority of tenants representatives on the Board. Clive Thornton, ex Chief Executive of the Abbey National Building Society and *The Daily Mirror* was brought in by Thatcher to establish it.

CHEATED

The tenants and residents voted for the Thamesmead Community Trust, because they thought they would have more control. Within two months of the ballot, instead of a trust a private company called Thamesmead Town Limited was set up. It has no shareholders, and relies on loans from private bankers, on which it has to pay interest. Tenants representatives are on the Board for life as Directors, and cannot be removed. The three Executive Directors — professional businessmen appointed by Clive Thornton — run the show.

The referendum was the GLC and Greenwich's idea — the DOE was only planning a survey. There was only a 45% turnout, even after door to door knocking by the private consultants organising the ballot. 3461 voted for Clive Thornton's Trust, and 2861 for Greenwich's proposal: a majority of 600.

PUBLIC SUBSIDY FOR PRIVATE LANDLORD

Clive Thornton's Trust only paid £2.5m for the town — although it was valued at £25m at the time. In 1987/8 the value was £318m. They do not have to re-pay the £16m a year debt for the original development costs — that is a direct subsidy to the Trust.

300 homes will have to be sold off each year for the next 12 years to pay the cost of the sale to the Trust. They estimate £3.5m a year from the sale of assets and £5.3m a year from rents based on the hope that Thamesmead will be able to cash in on rising house prices in nearby Docklands. The financial set-up of the company means that no new housing to let can be built, and they will have to sell existing housing.

PROBLEMS

Service charges are not paid by the DSS and yet you can be evicted for not paying them. They are used to pay for lifts etc — things council tenants pay for in the rent, as well as the maintenance of the lakes, open spaces and parks used by all the residents.

Tenants rights to repairs have been drastically cut: tenants have to do all their own decorating and internal repairs.

Thamesmead tenants are now "private tenants" — paying fair rents. But the Housing Act 88 means no new fair rent tenancies. New tenants are already paying 40% more than their neighbours.

Under the GLC there were 680 staff working on Thamesmead. Only 370 staff work for Thamesmead Town Ltd. The job losses, changes in working conditions mean less service to the tenants.

Before privatisation, 1000 people a year were housed on Thamesmead through the London Mobility Scheme. It is forecast that only 30-50 a year will be housed there in the future, because the Trust prefers to sell empty houses than let them.

EXCLUSIVE

Thamesmead residents want local authority landlord

THAMESMEAD'S residents have given the thumbs-down to the private company which took over their town after the Greater London Council was abolished.

In a MORI poll commissioned by London Housing Unit, 56 per cent said they would prefer the rented housing on the estate to be in the hands of a local authority — and a majority of those would like it to go back to a new GLC. Just 18 per cent prefer Thamesmead Town.

Amongst Thamesmead Town's tenants alone — who

the support of its residents.

The MORI poll also shows that owner-occupied firms that up 40 per cent of the town, which set up Thamesmead Town Limited, will be asked to respond to Government and other proposals.

THAMESMEAD THE FUTURE

In the next few weeks, the future of Thamesmead is to be decided.

Residents will be asked to respond to Government and other proposals.

THINK CAREFULLY

Check any proposals against the following list:-

- Does it give Thamesmead residents (present and future) a real say in decision making?
- Is it democratic?
- Will it really be able to keep the present success going?
- Can it find the money?
- What will it have to have in relation to management and stock?

NO CONTROL

The Chair of the Company is Clive Thornton — appointed by the Government before the company was set up or the other Directors elected. It is easy to see his attitude:

The three Executive Directors who run the Trust are Phillip Glascoe — Chief Executive on £30,000 p.a., Christopher Pendrill — seconded from National Westminster Bank, and Maurice Tucker — a civil servant paid for by the Dept of the Environment to be Company Secretary.

The Trust that the people of Thamesmead voted for was changed into a private company in order to raise the money from the City. There is no room for social or

political considerations — the company's financiers determine the really important decisions. The nine representatives elected by the tenants and residents are completely dominated by the financial considerations and the three executive directors.

When the senior elected residents' representative and Vice Chair of the Company, Jim Woodrow resigned he stated that the voters on Thamesmead had expected real control "But what they've got is a private company, acting as a private landlord . . . the board's just a rubber stamp . . . The company should be subordinate to the democratically elected trust, not the other way round" (LHN July 87).

Any chance of the representatives being democratically accountable was made impossible. Many decisions are taken in the secret parts of the Agenda, and tenants representatives are not allowed to criticise or discuss the Board's decisions in public — ie they could not act as councillors do. Tenants either go along with the executives or they get out.

"The difficulty is that people elected from a community tend to think that local authority considerations apply. Of course they don't. We're a commercial company. We don't get money from the rates. We have to deal with financial organisations".
CLIVE THORNTON

(Thanks to *Community Action* for the information)

"We were hoodwinked. We thought we were voting to take control of our own lives. Instead we are controlled by a private company." Jim Woodrow.



National tenants rally against Housing Bill 1988

Philip Wolmuth

14. STOCKBRIDGE FIASCO

Not long after the Toxteth Riots, Michael Heseltine took a bus load of businessmen on a tour of Cantril Farm Estate, and challenged them to come up with ideas and private cash to put into urban regeneration.

Cantril Farm — renamed Stockbridge Village — was supposed to prove that the private sector can rescue rundown council estates. But it has failed. Instead it's a story of how public money has been used to make private profits. It's an important story for tenants fighting estate sales.

In April 1983, Cantril Farm Estate — 3000 neglected homes on an overspill estate, 10 miles from Liverpool — were sold off to Stockbridge Village Trust, a private non-profit making company with two associated housing associations.

The plan was to demolish some homes, refurbish others for sale and rent, sell 'spare' land, sell three tower blocks, redevelop the central area, improve the shopping and leisure provision and the general environment of the whole estate.

HIGH FLIERS

The plan was drawn up by:

- *Tom Baron*, ex-housing advisor to Heseltine, and Chairman of Christian Salvesen Properties. He became Chief Executive of the Trust.

- *Clive Thornton*, then Chief Executive of Abbey National Building Society and who went on to be the Chief Executive of Thamesmead Town Ltd, that other notorious failure of the privatised solution.

- *Sir Lawrie Barratt* of Barratt Developments Ltd, an early profiteer of the sale of council estates.

When Cantril Farm Estate was sold off, Knowsley Borough Council had only £5.3m in their HIP account for all 36,000 council homes. Cantril Farm was one of the bleakest and most neglected estates in the area, in urgent need of modernisation and rebuilding. Unemployment was 49%, 80% for young people, with most people travelling to Liverpool for work, shopping and leisure.

Instead of Heseltine giving the Council the money needed to improve the estate and provide local employment, he insisted that the private sector could turn around the estate, where the public sector had failed. He conveniently forgot that the council had had massive cuts in money for council estates.

MULTI-MILLION POUND DEAL

The estate was sold to the Stockbridge Village Trust (SVT) for only £7.4m — less than half the Council's outstanding debt. But later said to be at least £2.4m too high, and some claim it had a "negative value". The Government had to write off the £7.4m still owing.

SVT borrowed £2m from Barclays Bank and £3m from Abbey National to buy the estate. Knowsley has a £2.4m mortgage — in effect giving up the capital receipts from selling the estate.



Abbey National agreed to give mortgages to tenants wanting the right to buy their homes — at normal rates of interest whilst Barclays gave SVT a £2m overdraft. Barratts agreed to buy three tower blocks and build 600 new homes for sale, in exchange for getting all the development and refurbishment contracts.

The SVT capital investment programme was paid for initially with public grants (plus a subsidised transfer price), and later relied on selling off property. The Revenue Account should have been "self-financing" i.e. rents income would be enough to pay off the mortgage repayments and improvement costs. Unfortunately this did not work!

TORIES CONTINUALLY USE FLAWED MODEL

The basic financial idea was that an initial public and private investment in improving the houses and estate would produce higher house prices and land values, and increased rents, and that SVT would be able to recoup their investment by selling off vacant homes and development land, and then re-invest that money in doing up more homes. This is the model that is repeated — unsuccessfully — in Thamesmead; and it is clearly the financial logic behind HATS

Sack property boss say Cantril tenants

TENANTS living in Cantril Farm, Merseyside, have demanded the sacking of a top property boss over 'disgraceful' smear remarks.

A furious meeting of the tenants action committee on Monday night voted for the removal of property developer Tom Barron as chairman of the Stockbridge Village Trust, which now runs the estate.

The row centred on comments made by Barron to the 'Daily Mirror' linking families now being moved off the

estate with problems of crime and vandalism. Cantril Farm has Merseyside's highest unemployment rate and according to Shelter worker Anne Groskurth one third of the 3,000 tenants will be forced out.

Problems

'Eighty per cent of the estate's problems were caused by 10 per cent of the families,' Barron told the 'Mirror'.

'We'll get rid of them if we can,' he arrogantly declared. 'The worst families are now leaving and people can see a glimmer of hope.'

The real source of Barron's outburst lies in the opposition the private landlords have met to their plans for redeveloping the estate and making a quick profit.

Tenants from maisonette blocks due for demolition, Roughsedge Hey, have refused to move out and are demanding a reduction in rent and rates to compensate for the building site conditions they are forced to live in.

They want to stay living on Cantril Farm but Barratts are not building suitable new houses for the displaced families and there are no plans to build

anything like the amount of rented accommodation that would be needed. There is speculation that Barratts now want to pull out in the face of the uncustomed opposition and the second strike of builders working on the project.

Protest

Yesterday Barratts building workers walked out in protest against the use of lump labour only weeks after the ending of a two-month strike against redundancies when UCATT members picketed daily during freezing cold and snow.

PLANS FAIL

The Baron/Thornton/Barratt 1984 plan:

- **underestimated** the costs of refurbishing the houses — the costs doubled for the houses and went up six-fold for the flats in 2 years!
 - **underestimated** the costs of transforming the three tower blocks — Barratts withdrew and KMBC now has to pay out £2.3m to demolish them.
 - **overestimated** the number of tenants that would buy their homes — since unemployment did not fall, the existing tenants could not afford to buy.
 - **overestimated** the potential for owner occupiers from outside the area to move in. House prices have plummeted, leaving people trapped and unable to sell. Repossessions and moonlight flits have left the famed private parts of the estate with boarded up and vandalised homes.
 - **overestimated** the number of tenants that would move off the estate, leaving empty homes that SVT could sell. They have only sold one vacant property in five years. Ironically the more improvements were made to the estate, the less the tenants wanted to move, and so SVT did not have the capital receipts to pay for improvements.
 - **overestimated** the rent levels. SVT is a private landlord, and so could only charge fair rents. But the Rent Officer would not allow increases in rent. Council rents inherited from KMBC had been higher than fair rents in area already.
 - **overestimated** the value of development sites. The lack of demand for homes for sale meant fewer sites sold. But there was considerable demand for fair rented homes, but at lower site values.
- They also failed to have any contingency plans for:
- increases in interest rates — 4% in two years.
 - VAT being charged on improvements, although Urban Programme money was used to bail them out.

They had to let 12 of the 14 new shops rent free to fill them. The Council's Leisure Centre development cost went up from £2m to £4m.

Barratts promise to invest in a major building programme, providing 1110 homes or 32.7% of the total stock was central to the plan. **But there was no written agreement.** By 1986, they had refused to buy the tower blocks valued at £1m and only built 126 houses or 3.7% of the stock. As the DOE Evaluation study comments "The incentive of sole contractor status was insufficient to put aside normal commercial development criteria".

By Autumn 1985, only two years into the five year plan, the Trust was virtually bankrupt. Abbey National refused any further mortgages. This meant that even if Barratts did build, no-one could buy. Barclays refused any further overdraft. And the DOE only agreed to any further money if all development work halted and proper financial controls were instituted. The DOE financed a consultants' evaluation of Stockbridge Village whose report "Building a Community" concluded that "the costings were too low, that the expected receipts were too high and the programme timing too ambitious".

PRIVATE CASH FAILURE

Far from being a private sector led regeneration, it has had to be bailed out with public money! Originally, £30.54m was to be private money and £19.90m of public. But by 1987 that had reversed. The total programme had been cut back to £45.75m, of which only £18.63 was private. The rest — £27.12m — was public money i.e. Urban Programme grants worth £9.8m, Urban Development Grant of £6.1m, Housing Corporation grant of £11.3m. And that does not include the £2.4m owed to KMBC, the £7.5m written off on the price and the hidden costs of the increased homelessness, rehousing tenants and the officer time setting up and dealing with the trust.

ALL THIS FOR WHAT GAIN?

Improved "Social Mix"? Tom Baron had blamed the "lack of owner occupiers" for the absence of the "essential and community building influence of a population committed to preserving the value of their investment". When SVT took over Cantril Farm, 94% (3055) of the 3238 households were Council Tenants. In 1986, half way through the plan, 83.8% households were council or housing association tenants compared to 50% target. Many of the 12.5% RTB owners were on shared purchase schemes. Unemployment has not improved. The community and leisure facilities remain sparse.

Tenants were not consulted about any of these plans. Their needs either for improved housing, jobs, transport or community facilities were not considered. As the consultants' report said tenants were only thought of as potential "investors" who had to be persuaded to buy their homes or pay higher rents. The report continues "the type of housing improvements were selected on commercial criteria to achieve an estate looking more like a private development" so they did not offer tenants "alternative improvement approaches". Instead they informed tenants of the plans. "This was an unusual approach to community involvement, but it was designed to achieve a particular purpose: to gain acceptance of improvements that would encourage right to buy sales and increased commitment by tenants to their homes."

The Trust operates as a private company with no obligations to the local residents. Decisions are taken in secret and the Board — with one tenant representative — is used to rubberstamp decisions. The refurbishment work is shoddy and way behind schedule. As the financial situation deteriorated, the standard of repairs and modernisation have dropped. Pressure to move off the estate, and to sell homes and land have increased.

The Housing Act 88 has learnt the lessons of Stockbridge Village. SVT finances relied on higher rents. HATs will have powers to put up the rents after improvements, and new landlords will charge market rents. SVT finances relied on tenants moving out so their homes could be sold empty. HATs will have power to force you out of your home, and the HAT areas will include blocks that decanted tenants can be moved into, so their blocks can be sold off or demolished.

SVT needed increasing land/house values and a buoyant owner occupation market, which Merseyside did not have. All the HAT areas are either near the centre of London and high house price areas, or near UDCs with increased land values and skilled jobs.



15. USEFUL CONTACTS

CASE UK (the national tenant and trade union campaign against sale of estates).

5th Floor
103 Portland Street
Manchester M1 6DF
061-236-5535

SCAT/NALGO LANDLORD DATABASE

1 Sidney Street
Sheffield S1 4RG
0742-727484

"We are not for Sale — Part 1"

available from SCAT Publications at above address. Price: £1.50 for tenants, £2.50 for others.

Many other publications available including Public Service Action which has covered more privatisation stories from a tenants and trade union point of view than any other publication! Price £6.00 for 10 issues.

The Housing Act 1988 (clear detailed guide)

88 Old Street
London EC1
01-253-0808
Price: £2.50 (£1.25 tenants & unwaged)

1988 Housing Act explained (contains the DOE and Housing Corporation regulations on approval, voluntary transfer etc.)

Institute of Housing Publications
Units 14-16 Mercia Business Village
Westwood Business Park
Torwood Close
Coventry CV4 8HK
0203-474433
Price: £6.50

National Federation of Housing Associations

175 Gray's Inn Road
London WC1
01-278-65711

Housing Corporation

James Tittkell
Monitoring Division
Housing Corporation HQ
149 Tottenham Court Road
London W1P 0BN
01-387-9466

Shelter

88 Old Street
London EC1V 9HU
01-253-0202

National Tower Blocks Network

% Community Links
14-18 West Bar Green
Sheffield S1 2DA
0742-723651

National Tenants & Residents Federation

% Bill Ficken (Chair)
Doncaster Federation of Tenants Associations
Haywood Room
17 Prince Gate
Waterdale
Doncaster
South Yorkshire
0302-734577

Federation of Black Housing Organisations

374 Gray's Inn Road
London WX1X 8BB
01-837-8288

National Federation of Housing Co-ops

88 Old Street
London EC1V 9HU
01-608-2497

Welsh Tenants Federation

% Edwin Jones
57 Walters Road
Swansea SA1 5PZ
0792-469400

Monitoring Database

On Part IV of 1988 Housing Act
London Housing Unit
1st Floor
Berkshire House
168 High Holborn
London WC1
01-379-7076/4384

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