

# Robin Marta **DEFEND COUNCIL HOUSING.**

**HOUSE OF COMMONS 'COUNCIL HOUSING GROUP' INQUIRY -  
HELD AT THE HOUSE OF COMMONS, WESTMINSTER,  
FEBRUARY 25<sup>th</sup> 2009.**

## **REPORT BY ROBIN MARTAKIES.**

### **INTRODUCTION.**

The House of Commons Council Housing Group, chaired by Austin Mitchell MP, organised an inquiry at Parliament on 25<sup>th</sup> February 2009 with evidence gathering taking place between 12 noon and 7.00pm.

Evidence given by delegates will be presented to Housing Minister, Margaret Beckett, to be 'fed into' the Review of Council Housing Finance. The inquiry also examined how to start a big new council house building programme.

The 'Defend Council Housing campaign' made five demands:

- (i) Stop any further privatisation and expensive 'stock options' appraisals.
- (ii) End the robbery and fully fund allowances for first class council housing.
- (iii) Provide a level playing field on debt write-off and gap funding.
- (iv) Defend secure tenancies against means testing or time limits.
- (v) Start a big new council house building programme.

The House of Commons Council Housing Group, made up of Labour and Liberal Democrat MPs, have tabled an Early Day Motion (355), and, as at January 25<sup>th</sup>, around 80 MPs had signed up. The EDM states:

*That this House points out the urgent need to boost the economy by a massive programme of public investment to improve existing council homes and estates and build a new generation of first-class council housing to provide secure tenancies and low rents, and managed by an accountable landlord of the type the large numbers of people in housing need desire; and calls on Government to stop making money out of tenants' rents and to ring fence all rents and receipts within a national housing revenue account, to fully fund allowances to local authorities to open up their allocation policies once again to the wide range of people on council housing waiting lists so that butchers, bakers, nurses and teachers can live together with young families and pensioners thus returning our estates to the mixed and sustainable communities they used to be, and to provide a sustainable housing policy offering security and stability for the 21<sup>st</sup> century.*

Tim Farron MP (Liberal Democrat – Westmorland and Lonsdale) is one of the MPs supporting the motion. On February 24<sup>th</sup> he said 'I am pleased to confirm I have signed EDM 355 to give public support to the proposition'

Two and a half million existing council tenants, supported by trade unions, councillors and MPs, are determined to win improvements and a long term future for council housing. With 'secure' tenancies, low rents (in comparison to the private market) and landlords who can be held to account are more important today than ever.

1.6 million Households are currently on council waiting lists. This shows there is strong demand from a broad cross section of our communities for government to build a new generation of first class council homes. Many existing tenants have grown-up children who can't afford to move away from overcrowded homes who would jump at the chance of a secure council tenancy.

Pushing more people in Britain into home ownership by refusing to invest in first class council housing and proposals to undermine council 'secure' tenancies would be to repeat the American sub prime disaster. Millions are suffering at the hands of a housing policy based on the dogma of 'ownership' and the private market.

It is outrageous that successive governments have been sucking money out of council housing for years and then trying to blackmail tenants to accept privatisation in return for improvements. The Government's commitment 'to ensure that we have a sustainable long term system for financing council housing' through its review of Council Housing finance is welcome, but we need a settlement this year and don't want the national council housing sector broken up. In the meantime there must be an immediate moratorium on further privatisation.

The Government says that the outcome of their review must be 'financially neutral' – i.e., the Government doesn't want to put money into council housing. That is a bit rich considering how much they've siphoned off over the years. But they are discussing only four aspects: money taken out of the Housing Revenue Account, the amount spent on Housing Benefit, the level of borrowing as it effects the Public Sector Borrowing Requirement, and the administrative costs of the system. However, there is a fifth area of government finance which relates to council housing: the vast subsidies for transfer of housing to the public sector. Between 2000-01 and 2006-07, £2,436 million was spent writing off overhanging debt for councils which transferred (See Parliamentary Question 25/02/08). A further £387 million has been spent on gap funding (Parliamentary Questions 19/02/07 and 10/03/08). Government is apparently prepared to dig deep to subsidise privatisation. Resources available to subsidise gap funding and overhanging debt for privatisation could (and should) be made available for direct investment in council housing.

The Government takes money from council housing in two ways. Firstly it collects more in rents than it pays in allowances to local authorities to manage, maintain and carry out major repairs to tenants' homes. It is estimated that £19 billion has been taken since 1997. Secondly, government takes 75% of the capital receipt from 'right to buy' sales and has benefited from stock transfer receipts. In 2008/09 each tenant will pay £3,120 per home in rent (£6.4 billion according to the HRA Review Team) but only receive £2,391 per home (£4.7 billion national total) back in services. Government lets councils keep just £1,720 per home (£3.4 billion) for management and maintenance and £671 (£1.3 billion)

for major repairs. Nationally this means that the government will take £1.7 billion of tenant's money this year – and it's increasing.

Tenants, councillors, MPs and trade unionists are calling on government to stop profiteering from tenants rents and to ring fence resources for council housing at national level, provide a level playing field on debt write off and gap funding and fully fund allowances to Councils so that they can manage, maintain and repair their homes and start a massive council house building programme.

Tenants want council housing to once again become a tenure of choice. Council housing is needed as an alternative to the instability of a housing market which is currently unravelling before our very eyes. It is time that politicians listened to the people: investment in first class council housing makes more sense now than ever.

We must urgently stop privatisation (transfers to Housing Associations), improve existing housing stock and start building a new generation of first class council homes with secure tenancies, low rents and a landlord we can hold to account.

#### **QUOTES FROM MPs.**

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

Paul Holmes MP.

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

Ken Purchase MP.

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

Frank Dobson MP.

*More and more families are coming to my constituency advice surgery faced with repossession of their homes and with no alternative accommodation to go to. All because there are no council houses to house people securely. This was not acceptable in the 1960s when we watched 'Cathy come home' and it is not acceptable now. We need a massive programme of council house building and we need it now to give people a decent home and to help us out of this recession.*

John McDonnell MP.

*If people are unhappy at the standard of housing, they have an option where there is council housing. That option is the local elections. What right will future generations*

*have to hold their local political leadership to account about what is going on locally on housing and homelessness?*

Adam Price MP.

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

David Taylor MP.

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

Martin Caton MP.

*We need to get out a strong message to tenants in ALMO authorities like Oldham (my own constituency) and Warrington now being pressured to accept the second part of two-stage privatisation by stock transfer. Elected councils should be standing by their tenants to make sure that the Review of Council Housing Finance delivers the promised settlement to make council housing sustainable and joining the call for government to fully fund allowances at 'level of need' as an alternative to privatisation.*

Michael Meacher MP.

**A STATEMENT FROM AUSTIN MITCHELL MP,  
CHAIR, HOUSE OF COMMONS COUNCIL HOUSING GROUP  
AND CHAIR OF THE COMMONS INQUIRY ON FEBRUARY 25<sup>th</sup> 2009.**

*Britain urgently needs a big house building programme to provide homes, jobs and give a boost to the economy. Investing in a new generation of first class council homes makes urgent sense.*

*The private market has never delivered secure housing for working people at a price many can afford. For 20 years government closed the door on councils building and diverted funding to so called Registered Social Landlords (Housing Associations). But these have largely failed to deliver. Many are now in serious financial trouble after 'diversifying' into building for sale, suspect lending arrangements and partnerships with private developers.*

*Government is encouraging councils to set up public/private partnerships. These Local Housing Companies (LHCs) – sometimes called Special Purpose Vehicles (SPVs) – were meant to build equal numbers of 'affordable' and private market homes. But whilst councils put in valuable public land and developers get development grants, at best, only a quarter of homes built are likely to be for rent. And, because they're a public/private partnership, none of the homes would be 'council housing' with secure tenancies. It's BAD VALUE.*

*The New Deal for Communities Partnership in Solihull shows what can happen. It has consumed more than £50 million of public money, demolished thousands of homes and now the private 'partners' have declared they can't afford to build the new housing they promised! (BBC Radio 5Live November 2008). Other New Deal schemes are suspected to be in similar trouble.*

*Elected councillors should be forced to hold a full public debate and consultation before committing themselves to public/private partnerships and carry out a thorough feasibility study into building council housing instead.*

*It's crucial that early in the New Year (2009) government gives elected councils the encouragement and resources they would need to provide a new generation of first class council homes.*

Austin Mitchell MP.

### **PARLIAMENTARY LOBBY AND INQUIRY 25<sup>th</sup> FEBRUARY 2009, EVIDENCE GATHERING AND DEBATE.**

Prior to entering into the committee room, Robin Martakies spoke with Lord Inglewood, former England North West Conservative Euro MP and serving Head of Cumbria Association of Local Councils. Through his activities and involvement with CALC Lord Inglewood has spoken on a variety of issues affecting rural communities including the need for more council housing.

#### **OPENING REMARKS.**

**The meeting opened with Austin Mitchell in the Chair - with Frank Dobson in support. Jeremy Corbyn, Bob Wareing, Paul Holmes and other MPs were in attendance.**

**The chair opened with the comments 'we can't build new homes with warm words; we need money to build and develop. We have the ear of government. As independent MPs we can't afford consultants so it is heartening to see so many of you in attendance ready to enter into a debate on the future of council housing. It would be nice to have a Conservative member of this group'.**

**'We were told that Housing Associations would bring homes to rent to the market but, despite building up land banks, they are failing to fulfil need and are increasingly pursuing hard business tactics and many are on the edge of bankruptcy. The government will take £1.76 billion from tenants' rents this financial year. They should ring fence all housing revenue and local authorities and tenants should decide locally on how the money is spent'.**

**'However, Margaret Beckett (the Housing Minister) has flagged up 2010 as the earliest that changes might be made. It seems to me that there is no urgency in government. The Prime Minister says that councils can build council houses but there is no money available. They should, immediately, give direct grant for housing to local authorities or stop robbing the tenants. It's time for urgent action'.**

## **A SELECTION OF GENERAL POINTS RAISED BY SPEAKERS.**

'Some Councils are closing sheltered housing units despite the fact that many people seeking such accommodation are still on long waiting lists'.

'Best Value regulations relating to the tendering process are often counter productive; a council employed workforce is likely to take more pride in its work'.

'The government are 'pirates' not 'Robin Hoods'. They steal from the poor to give to the rich'.

'Rents are too high. People often need to choose between paying their rent or buying food for the family'.

'If the present government can't do the job then it should 'let go' and clear the way for a government that can'.

### **Views from Milton Keynes Council (officers and tenants):**

'Too much rent money is paid to the government which adds up to 'exploitation' of the tenants.

Even if the council had spare money for council house building it would be reluctant to do so under current legislation because of 'Right to Buy' legislation.

The government makes lots of promises but does nothing.

Why not buy up empty properties and give them to councils to rent out?– they could do that tomorrow.

We need to think about the housing needs of the homeless and future generations'.

### **Individual comment from the floor:**

'Tony Blair was bad enough – Gordon Brown isn't any better'.

### **Views from Adur District Council from Brighton (officers and tenants):**

'There are limited funds available for the Decent Homes programme.

The Council paid £4.2 million back to the government last year so there is little money to invest in existing and new homes.

The government needs to give out money not put it in their back pockets'.

### **Views from the GMB Union delegate:**

'The Union supports the campaign. Until the government comes to its senses it will continue to alienate ordinary people seeking housing. Islington Council has 13,000 families on its waiting list.

ALMOs came about because a gun was held to the head of councils and tenants with threats of 'no change, no money'.

The problem now is that ALMO money is running out and with none available to do proper repairs.

All of the governments housing policies are disintegrating around us.

The government disregards local skills.

The Unions' view is that ALMOs don't work and are just a con.

Councils are best able to run their own housing and should be properly funded'.

**Views from the Professor of Housing at Brighton University:**

‘We have a disaster on our hands.

Four years ago we (Brighton University) sent Tony Blair a brief predicting housing scarcity: nothing happened.

Rents have outstripped inflation by a huge amount.

New money has dried up and housing construction has plummeted.

No account is being taken of real housing need.

The government has embraced poor research which has produced over optimistic and misleading statistics. Rents are now entirely unrealistic (too high) and have driven a large number of people into claiming benefits.

There is chronic housing need; there is overcrowding everywhere in this country and that leads to ill health and family breakdown.

We need a massive input in housing support, mainly to enable councils to build again.

Tenants need to fight for and regain their democratic rights’.

**Austin Mitchell MP:**

‘This is a frightening picture. It is incredible that we haven’t had a proper response from Government’.

**Views from tenant from Crawley:**

‘We resent paying our rents to government. We need to keep the money to support housing locally. Without it we will never be able to build any new houses’.

**Delegate:**

‘Right to buy disposals have virtually dried up’

**Views from officers of Edinburgh City Council:**

‘There is hope in Scotland: changes have already started in the organisation and supply of council housing. A huge Glasgow Housing Association turned out to be a disaster – it was riddled with corruption.

The SNP (Scottish National Party) has produced a document on social housing saying it is an essential part of communities. Thousands of new homes are needed in Scotland.

There is a need to write off historic toxic debt relating to council housing.

Financial changes are urgently needed’.

**Views from a tenant from Wolverhampton:**

‘Why is the government taking £6 million from us even though housing revenue is in surplus? Tenants’ organisations are in need of support and funding.

If the government doesn’t listen to us we will remember their inaction at the next election.

There is too much bureaucracy and private landlords aren’t accountable to tenants.

What are Labour MPs doing for us?

Nothing!

I’ve voted Labour all my life –

**BUT NEVER AGAIN’.**

**Frank Dobson MP:**

'The Government's policies since 1997 have been crackers.  
They keep saying that they need to get people onto the first step of the housing ladder.  
Well! Not everyone can or will ever be able to afford to buy a house of their own.  
We only have to look at the collapse of the mortgage market in the USA.  
We still need council housing at a rent people can afford to pay.  
Rents have been raised above inflation every year.  
£20 billion of Housing Benefit is paid annually, compared with £5 'billion in 1997.  
We must build homes and keep rents down.  
Housing finance is a madhouse: we don't have sensible policies.  
I'm not 'Old Labour'; I'm 'Heritage Labour'.

**Views from officers and tenants of ALMOs from Leeds:**

'After 2010, money to keep houses in good condition will have vanished and we didn't get enough money to do the required work in the first place.  
Despite this, Leeds will build a small number of council houses this year using benefits derived from Section 106 planning consents.  
There are currently 34,000 families on the waiting list in Leeds.  
We are aware of national policies to demolish homes to clear the way for new build that no-one can afford to buy.  
How can that be right?'

**Views from officers and tenants from Winchester:**

'We are seeking fair play for council tenants.  
The government says they are listening and then do exactly what THEY think – normally the opposite of what councils and tenants want.  
We appeal to the government to relieve us from the stealth tax of negative subsidy.  
Does the government live on the same planet as us?  
Not everyone wants or is able to buy a house.  
We are being patronised by central government.  
Negative subsidy has to go.  
Waiting lists are growing all the time and the government doesn't seem to care'.

**View of the chair of Kingston-upon-Thames Residents Association:**

'The government is ignoring potential tenants.  
Forget affordable housing 'for sale' because most people can't afford to buy.  
Affordable prices aren't affordable for most ordinary people'.

**MP for Reading:**

'I believe in democratic responsibility. Housing Associations operate like private companies and become bigger – sucking in smaller Associations.  
We need to build communities.  
We must house the homeless and the vulnerable but we must have people who will build communities.  
Allocation policy is flawed.  
It is a matter of shame to me that we have not reinvigorated council housing'.

**Tenant's representative:**

The year on year increase in negative subsidy is horrendous. The government will take around £200 million from us this year and that is handed over to the Treasury and 'lost' to tenants and ordinary people seeking housing.

Is this really what a Labour government is about?'

**View of North East Derbyshire District Council ALMO Residents Association representative:**

'Most people don't care who their landlord is as long as they are provided with good housing at reasonable cost.

The Council raises extra money from ALMO resident by charging £1.50 a week for grounds maintenance.

Private residents on the same estates don't have to pay this.

Why?

Isn't that double rating?'

**View from Camden Tenants and Residents Association and supporters:**

'Today it has been a breath of fresh air to talk to representatives from other parts of the country and to hear them all saying the same thing and expressing concern about the governments housing policies.

This Labour government is giving councils an alibi to escalate rents; we pay £24 million back to government which short changes our residents.

Tenants have rejected stock transfer (including an ALMO) and the government is now bringing pressure on the council to get rid of our houses.

Tenants want a Labour government to provide homes for everyone in need.

There is a madness of accounting encouraged by this government'.

**Jeremy Corbyn MP:**

'Gordon Brown might be an economic genius but he is out of touch with housing.

He encourages social cleansing by promoting the transfer of council housing to Housing Associations.

Let's say 'NO' to cons and creative accountancy.

This government will not build council houses because they wish to maintain the value of private houses'.

**Views from Dover Council's tenants group:**

'There are 4,843 tenant households and 427 leaseholds – spread over a wide geographical area.

The council pays £5m negative subsidy to the government.

Why? Tenants say we should keep the money (it is ours) and not give it to the government.

We also object to the high salaries paid to some housing officials.

Councils should be able to retain the proceeds of 'right to buy' sales and use the cash to build new properties to rent for the benefit of the community.

There are five local authorities in Kent and the 21,000 properties they control could be put under the control of one management team to save money. This would bring about a super ALMO; but this suggestion has brought about an outcry.

The days of ALMOs are over'.

**Unidentified MP:**

'Prior to 1997 we had clear ideas about housing policy. Now I have to ask 'why should council tenants have to subsidise the rest of the country?'

I have learnt that councillors serving on one ALMO Board were told by council leaders that they should represent the council not the tenants and should vote accordingly.

That is wrong.

Also, most ALMO officers seem to earn more than Council Housing Officers.

The government must stop ripping off tenants and build new houses.

Council houses are not just for dropouts'.

**Paul Holmes MP:**

'Private sector providers have sold off lots of homes on sub prime mortgages to people who couldn't really afford them. The Government is wrong to say that ALMOs and Housing Associations are better at managing houses than councils.

Many Housing Associations have central offices remote from the tenants and that is rubbish. Councils are accountable locally and they can be voted out.

Councils should be allowed to borrow money to build new houses.

Gordon Brown's 40% 'Golden Rule' has already been blown out of the water.

The government's 2.5% off VAT has made no marked difference to public spending.

That money could have gone to build new council houses, providing work for builders, homes for those needing accommodation, and stimulating the economy'.

**Bob Wareing MP:**

'I have been a Liverpool MP for 25 years, was brought up in a council house and lived in one for 35 years. When new, in the 1930s, it was beautifully maintained by the Tory Council, was soundly built and the outsides decorated every second year.

Since 1997 the government has ignored council housing and run it down, as did Mrs. Thatcher.

Housing Associations lack democratic accountability.

Delegates should pester their local councillors and their MPs to fight Labours present policies'.

**Robin Martakies (Retired member RMT):**

Robin had been alerted to the inquiry by an article in the RMT Union's magazine. He gave a personal appraisal of the situation in South Lakeland where council housing is managed by an ALMO (South Lakes Housing).

'There appears to be a perception by government that all people living in the Lake District are wealthy and able to pay high rents for council housing. Nothing is further from the truth. Elderly residents need sheltered accommodation and many local people are in desperate need of council houses. Wages in the Lake District are low, jobs are at a premium and there is a shortage of private rented housing at reasonable cost.

To confound the issue, many private houses are used as second or holiday homes or are needed by the University of Cumbria for Student Accommodation. Others have been purchased by wealthy incomers seeking retirement homes, thus forcing up prices. Until recently there was a buoyant 'right to buy' market but a number of former council houses have been purchased by hotel owners for staff accommodation or are being rented out

privately at high prices - despite local occupancy clauses imposed by the Lake District National Park Authority, the planning authority for the National Park.

High prices have now forced 'right to buy' properties out of the reach of most tenants.

It is a scandal that the government insists on raising rents annually by at least 2% above the rate of inflation regardless of the tenants ability to pay, especially as this year's increase (2009/10) was calculated when inflation was hovering around 5% and will cost residents approximately 7% extra from April onwards. That can't be right?

Surely a Labour government should look after the interests of ordinary people especially in low pay, high cost areas. The present government has lost control of housing policy and sold its soul to the banks and big business.

Councils should be put back in control of council housing to ensure fairness and local accountability.

Because many ordinary working people can no longer afford to buy homes and can't find council houses to rent, they are drifting away from local communities in search of accommodation in cheaper areas. This means that young families are being wrenched from their roots and the viability of village schools, rural shops and local services are increasingly put at risk.

Many rural services are in terminal decline, public transport is sparse and agricultural skills will be lost if local people are forced to move away to towns and cities.

It should be noted that a number of Eastern European EU residents have permanently settled in the area (mainly working in the hotel/hospitality industry) and are raising families. Their needs must be considered.

Housing Associations lack democratic accountability.

Delegates should canvass local councillors and MPs to ensure greater fairness in council house provision and finance'.

## **FINAL SESSION.**

### **BRIEF POINTS RAISED BY INDIVIDUAL DELEGATES.**

'Government financial policies relating to housing takes money away from tenants and 'rips them off'.

'What is happening at the moment is an outrage'.

'The issue of 'historic debt' must be dealt with by the Government as a matter of urgency'.

'Council tenancies are 'gold standard' and we must ensure that doesn't change'.

'We need meetings like this where we live. Many people are not aware of the injustice of the Government's housing financial policies and think that council house tenants are scrounging off the state'.

'The Housing Associations have lobbying machines and money to burn; we only have ourselves'.

'We need to regulate private landlords'.

'Sub letting of former 'right to buy' properties (absentee landlords) is on the increase and the problem needs to be tackled'.

'When tenants ballot on stock transfer, who speaks for private tenants seeking council house tenancies?'

'Some London Boroughs are betraying their local communities'.

'Tenants have been to council meetings at Tower Hamlets and accused councillors of breaking promises and marginalising them'.

'Gordon Brown has no courage.

When he announced that councils would be permitted to build new council houses he didn't mention that he hasn't provided the money'.

'There is urgent need for one bedroom (single person) accommodation. Only 3% of council housing is designed for single people'.

**UNISON Trade Union Branch Secretary (Tower Hamlets):**

We have been fighting stock transfer since 1996.

Promises are so often broken. Stock transfer resulted in the Tenants Board being abolished and the outsourcing of services to call centres.

How can that be right?

**East London delegate:**

'Housing services have been kept 'in house' and two years ago we formed a Housing Board that has been very successful'.

**END OF INQUIRY.**

The Chairman thanked those present for their attendance and for their contributions.  
Delegates left between 6.45m and Committee Room 10 was clear by 7pm.

## IN CONCLUSION.

### **‘TIME TO INVEST IN FIRST CLASS HOUSING’.**

**‘Warm words need to be turned into hard cash – and quickly’.**

**Reprinted from a ‘Defend Council Housing’ Committee document published February 2009.**

*There are now signs that government is prepared to drop the dogma and stop discriminating against council housing. We’ve come a long way from 2000 when most pundits were predicting the ‘end of council housing’.*

*But, whilst warm words from the Prime Minister and others are most welcome, we now need hard cash and detailed proposals to secure the long term future for council housing. We need a commitment to end the robbery from tenants’ rents and capital receipts. Every penny must be tightly ‘ring fenced’ to fund the management, maintenance, repair and improvement of council housing.*

#### ***Massive opposition to privatisation as private market falls.***

*There is massive opposition to blackmailing and bullying tenants to accept privatisation and growing support for direct investment in first class council housing. The private housing sector- including Registered Social Landlords – is in crisis. In the face of mounting recession people need ‘secure’ council tenancies, low rents and a landlord you can elect and hold to account more than ever.*

*Government has to write off or take over historic housing debt under new arrangements. There is no justification for continuing to take £1.7 billion a year from our rents.*

#### ***Breaking up national HRA carries real risks for tenants.***

*There is an important debate about how a new housing finance regime should be organised. Some councils are arguing to break up existing national council housing finance regime with each council going it alone.*

*Tenants would be exposed to changes in interest charges, inflation and other economic factors or their council getting its business plan forecasts badly wrong.*

*Some councils clearly want to use council tenants rents to subsidise other services. It’s not hard to see how breaking up the national council housing sector could leave tenants feeling more isolated, making it harder to resist privatisation, market rents and attacks on our ‘secure’ tenancies.*

***Defend Council Housing*** and others are arguing for government to ring fence rental income and receipts within the National Housing Revenue Account to fully fund allowances to each authority ‘at level of need’.

*This would keep council tenants united across the country to defend our common interests, leave responsibility for macro economics with government and result in each authority getting the resources they need to spend according to priorities determined locally by tenants and councillors. It’s a less risky formula.*

**A FINAL WORD  
FROM THE PRIME MINISTER.**

*'Today let me be clear: if local authorities can convince us that they can deliver quickly – and cost effectively – more of the housing that Britain needs, and if local authorities can build social housing in sustainable communities that meets the aspirations of the British people in the 21<sup>st</sup> century, then we will be prepared to give them our full backing and put aside anything that stands in their way'.*

**Gordon Brown**  
*speaking to the Local Government Network conference,  
29<sup>th</sup> January 2009.*

This report was prepared by Robin Martakies, in a personal capacity.  
Issued on March 2<sup>nd</sup> 2009.

Robin Martakies,  
66, Kirkfield,  
Ambleside,  
Cumbria,  
LA22 9HA.

[robinmartakies@tiscali.co.uk](mailto:robinmartakies@tiscali.co.uk)