

SEDGEFIELD AGAINST TRANSFER

VOTE NO

TO SELL-OFF



“Pennywell now is devastated. I lived through the war; and I’ve seen better war sites.”

Margery Atkinson, 86-year old Sunderland resident



The derelict wasteland that SHG have made of the community since they took over council housing in Sunderland. Now they want to do the same here.

SEDGEFIELD COUNCIL wants to sell off our homes. They say we can’t have all the improvements we want unless we transfer to a different landlord. But they don’t spell out the risks or what we lose.

They don’t tell tenants that stock transfer is privatisation, which means we lose our secure tenancies and other rights.

We have all heard about the ‘Decent Homes Standard’ set by the government. Well, the council can afford to meet that standard out of its own resources. Not only that, but the council

has an extra £47 million to spend over and above the minimum standard set by the government.

Tenants all over the country are choosing to stay with their councils rather than transfer – including tenants in Darlington. Here, the council’s own survey has shown that 96% of Sedgefield tenants want to stay with the council.

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

VOTE NO TO SELL-OFF – IT’S NOT WORTH THE RISK!

THERE IS AN ALTERNATIVE DIRECT INVESTMENT IN COUNCIL HOUSING

Nationally, council tenants pay enough in our rents to do all the improvements that we need, as a recent report by MPs shows. There are more than three million council tenants in Britain, and our campaign against privatisation of council housing is winning growing support.

More than 250 MPs have backed direct investment in council housing and the numbers are growing. Campaigning has already forced concessions from the government. In September deputy prime minister John Prescott and

Housing Minister Keith Hill promised to review council housing finance to address unfair funding, during the Labour conference where there was an overwhelming vote for a ‘level playing field’ for council housing. A united campaign involving tenants, trade unions, councils and MPs can force the government to concede direct investment in our homes. Voting No in Sedgefield means we’d get most of the investment we need now, and be part of the campaign persuading the government to cough up the rest.

8 REASONS TO REJECT TRANSFER



Evictions Up

We lose our ‘secure’ tenancies. Evictions by housing associations are much easier under housing association ‘assured’ tenancies, and their eviction rate is higher.



Rents Up

Housing Association rents are higher – 17% on average. Rent guarantees only last 5 years and do not apply to new tenants. On top of this are extra ‘service charges’ which can be increased at any time.



No accountability

Council tenants get to vote for their landlord in local elections every four years. Housing Association boards are accountable to no one and dominated by the banks and lenders.



Privatisation

Councils can borrow much cheaper than Housing Associations. Transfer means more of our rents going on profits for the banks rather than repairs to our homes.



Massive setup costs

Transfer in Sedgefield is estimated to cost £3 million. This money could be used instead to carry out the repairs and improvements tenants need!



Worse Services

Ordinary workers end up worse off after transfer, with their terms and conditions under threat, while senior managers get fat cat salaries. Staff demoralisation affects the service tenants receive.



More homeless

Shelter, the homeless charity, reports that 43% of councils after transfer said they were having trouble getting the new landlords to deal with homeless applications.



No return to the council

Transfer is a one way ticket – there’s no going back to the council if promises are broken. Housing associations make lots of promises but what happens if they go bust?

“If you’ve got a ballot coming up, fight like hell to persuade people to vote NO – the more people who reject it the better chance we have of turning over this stupid policy.” **Frank Dobson MP**

Conflict of Interest

Don’t you think there is a conflict of interest when the senior managers who are pushing for transfer are likely to benefit personally from pay rises when they transfer to the new company?

The chief executive of Sunderland Housing Group has seen his salary double since the days when he was the housing director of Sunderland council.



VOTE NO TO PRIVATISATION

The Case Against Transfer

Transfer threatens tenants' rights. The transfer of council housing to a Registered Social Landlord (a housing association or similar company) means higher rents, more evictions, a less democratic housing service, and big pay rises for senior managers. Our homes will be privatised – transferred into the market-driven private sector where banks and building societies are in control.

More Evictions

Council tenants' secure tenancies are lost after transfer, becoming 'assured' tenancies, which make eviction easier. Secure tenancies are created in law, giving council tenants statutory rights, as well as the contractual rights of a tenancy agreement. No amount of promises from an RSL can equal this. New tenants won't get any guarantees

"We're a business and all our divisions are expected to make a surplus"

(John Belcher, chief executive of £185.8 million turnover Anchor Trust, *The Guardian* 8.1.03).

over their rights, so over time tenancy rights will be eroded further. 16.5 percent of RSL evictions involved the use of automatic powers under controversial 'Ground 8' (which cannot be used against council tenants) according to a National Housing Federation survey of 116 RSLs. Pledges not to use this are legally worthless. Overall evictions by RSLs (Registered Social Landlords) have risen by 36 percent.

Don't Let Them Do This In Sedgefield Borough...

"The combination of a sharp rise in homelessness... and the implementation of the 'excellent customer status' that tenants must achieve if they want to move, has led to accusations that the housing group wants to cherry pick which tenants live where."
● *Inside Housing*, 14/01/05

"I'll be moving shortly. It's breaking my heart to go, because I'm leaving behind a place where I have worked for over forty years to try and do something for the people living there, and I feel as though I've failed. Because, when I look out of my window now, either back or front, it's empty houses, boarded up."
● **Margery Atkinson, 86-year-old Sunderland resident**

"A recent Sunderland council review committee heard evidence from councillors, who stated they were shocked at the way Sunderland Housing Group were behaving, and that they were being told lies by SHG management."
● **Cllr. Michael Tansy, Sunderland Borough Council**

Higher Rents

RSL rents are higher than councils. Service charges are also higher, as tenants pay for the higher cost of borrowing and repairs. The RSL post-transfer rent guarantee only lasts for five years – and nearly a fifth of RSLs break these guarantees.
In Sunderland rents have already gone up by 17% since the transfer in 2001. The chief executive has no patience with tenants who complain about this, saying "that was always going to be the case for homes that were modernised." (*Inside Housing*, 14 January 2005). This is what we can expect if we let Sunderland Housing Group take over in Sedgefield.

Worse Services

Transfer RSLs have housing management costs a full 39% higher than councils. Their chief executives receive fat-cat salaries (sometimes more than £200,000), while ordinary workers lose out. Government research found only 35% of staff transferred to RSLs were still on their former local government terms and conditions. (DTLR Dec 2001). Many are anti-union or have very limited recognition agreements with unions.

Inside Housing reports that Sunderland Housing Group had to dismiss one of its most senior members of staff over an alleged incident of "aggressive and bullying behaviour". The demoralisation of staff can only lead to a worse service for tenants.

Privatisation

RSLs are private companies in law; their borrowing is private not public. RSLs borrow directly from private lenders at higher costs than councils. They function increasingly like businesses, with mergers, takeovers and lenders in the driving seat.

Less Democracy

Direct accountability of council landlords is lost. Few RSLs have effective tenants' associations and tenants on the board are legally barred from acting as representatives of other tenants. The Housing Corporation now allows board members to be paid (See back page for more details on tenants' involvement in boards).

SELL OFF – it's not worth the risk

● **Tenants Pay the Price of Failure**
Housing associations borrow on the private market and it is our rents that they use as a guarantee. This is not a small risk – one fifth of transfer associations get into financial difficulty. What will happen if SHG tries to expand too far, too fast? Its regeneration plans in Sunderland are already hitting the buffers, and

they are being criticised for caring more about their private development schemes than housing those in need. What's the betting that tenants pay the price for their grandiose schemes if they stretch themselves too far?
● **We Could End Up in a Huge Business Empire**
When associations get into trouble they

usually end up being taken over by a bigger organisation to bale them out. If this happens you will not get any say in the matter – there is no right to a ballot when transferring from one housing association landlord to another. Tenants promised a small local company responsive to their needs are likely to end up in a huge business empire.

Sunderland Housing Group: Some Facts

- SHG promised to build 4,000 new homes in Sunderland in the first five years – four years later, they've built 26.
- Rents have gone up by 17% since the transfer.
- The salary of the Chief Executive is double what it was when he was Director of Housing at Sunderland Council – £142,000. His partner is a director on £90,000 a year, and his nephew is on £90,000 a year.

More Expensive

Transfer wastes public money and diverts funds from where they are most needed. The Public Accounts Committee of MPs found when it investigated stock transfer in 2003 that it costs £1,300 per home more to improve after transfer than it would have cost under local authority control.
Private borrowing is not 'free' money – the higher cost has to be paid for. Tenants will pay for it through higher

"Large Scale Voluntary Transfer is a private-sector landlord in legal terms"

(Gwyneth Taylor, then Head of Housing, Local Government Association, 2002).

rents, and the taxpayer through higher housing benefit costs (£240 million a year higher, according to UNISON's calculations).

More Homeless

The number of new homes built in Britain over the last five years is lower than at any time since the second world war. "The biggest loss of new homes is in the social sector... caused by the ending of the local authority housebuilding programmes". (*Roof* magazine, July/August 2003)
In Sunderland the housing group promised to build 4,000 new homes within five years. So far, they've built 26, of which only 11 are for rent. Why should we believe the promises they're making in Sedgefield?

THERE IS AN ALTERNATIVE

WE SHOULD defend and improve council housing for our children and for future generations – it's their right as well as ours.

STAYING WITH THE COUNCIL MEANS MASSIVE INVESTMENT

Staying with the council doesn't mean saying no to improvements – Sedgefield Borough Council can meet the government's Decent Homes Standard out of its own resources, without needing to transfer its stock at all.
Not only that, but the council has an extra £47 million to spend towards the improvements tenants want over and above the minimum standard set by the government. In all, Sedgefield council can afford to spend £72 million on improvements to its housing stock – and all this, without needing to sell off our homes. (Figures from Sedgefield Borough Council, *Stock Options Appraisal Study*, 2003)
By voting NO to transfer we can hold onto all our rights and security of tenure, keep a vital public asset safe for future generations who need it, and have a massive £72 million of improvements to our homes and the places where we live – that's an average of over £7,000 per household.

Sedgefield Council Tenants Don't Want Transfer

"I trust the council because they have always been there when I've needed them. I don't see why we should have to change, and I won't be voting for transfer to any private company."
● **Mrs Shirley Mundell, Sedgefield Council tenant**

Council tenants in Sedgefield are happy to remain as council tenants, as the council's own surveys keep showing.

According to the 2001 Housing Survey: "the large majority of respondents (79.9%) were either very satisfied or fairly satisfied with the overall service provided by Sedgefield Borough Council."

"What we want is quite simple – decent homes and the security and service from a council we are happy with and who we trust. Is that too much to ask?" ● **Paula Ramshaw, Sedgefield Council tenant**

When the stock options appraisal survey was carried out in May 2003, 96% of the 3,222 who responded said they wanted to remain as council tenants.

The most recent survey results, released in January 2005, show that they have only managed to convince 40% of tenants despite all the glossy pro-transfer propaganda which they have been pumping out. 60% of tenants in this survey either think the transfer is a bad idea, or need more information to make a decision.

"I don't believe what we've been told about the transfer from Sunderland Housing. In my experience if it sounds too good to be true then it usually is. I'm very suspicious about the whole thing. So I'll be voting to stay with the council."
● **Mrs Kathleen Potts, Sedgefield Council tenant**

The government desperately hopes that ambitious councillors and senior council officials will bully tenants into submission. But around the country tenants with the support of trade unions, MPs and councillors too are fighting back. We want the improvements but we don't want a private company running our homes. Resist the blackmail. Join the national campaign to win direct investment – with no strings attached.



Tenants and trade unionists lobbying Parliament last year Photo: Jess Hurd (Report Digital)

COUNCIL HOUSING PAYS FOR ITSELF

The House of Commons 'Council Housing' group of MPs has also held its own enquiry into the fourth option.

The group received written and/or oral evidence from more than 50 local authorities around the country in support of the fourth option. At a session in Gateshead on the 12th February they heard from another 10 areas including Chester-le-Street, North Tyneside and Sunderland.
The Council Housing Group of MPs

have also investigated the economic case for direct investment, and have produced a report showing how direct investment can be financed.
The report shows that nationally tenants pay enough every year in our rent to pay for all the day-to-day repairs, management, and major improvements that we need. The problem is that the government robs our rent accounts, and keeps back a sizable proportion of the money from right-to-buy sales.

The MPs' new report shows how council housing generates enough money to pay for all the improvements tenants need. Demand that the Council join the campaign to make the government cough up to improve our homes – with no strings attached!

Join Tenants Around The Country Choosing To Stay With The Council

ACROSS THE country, councillors and tenants are choosing to keep their housing in public hands rather than see the ownership or management of their homes transferred to a private company.

For years now tenants all over the country have been refusing to be blackmailed into privatisation. The 85,000 tenants of **Birmingham** rejected transfer in 2002, despite a huge investment need, and they have been joined by many others.

Now councils are joining with their tenants to choose the fourth option – keeping their homes in democratic control and public ownership.

In **Darlington**, where tenants showed

a strong preference for staying with the council, the council was able to use prudential borrowing to allow them to keep their homes and improve them to the desired standard. (Darlington Council, *Housing Options Appraisal*, 22/07/04).

They join councils like **Bolsover, Bridgnorth, South Derbyshire, Guildford, Swindon, Wellingborough, the London Borough of Harrow**, and many others, who, after consulting with tenants, have opted to keep their stock in the last few months.

The tenants of **Cambridge**, for example, voted in October 2004 to stay with the council, by an overwhelming majority of 79%, despite being offered

HELP PUT PRESSURE ON THE GOVERNMENT

Tenants in Sedgefield are not alone in demanding direct investment without strings. All over Britain tenants are opposing stock transfer, PFI and ALMOs (the government's 'three options'). Some are in a much greater investment need than Sedgefield but have still rejected privatisation.

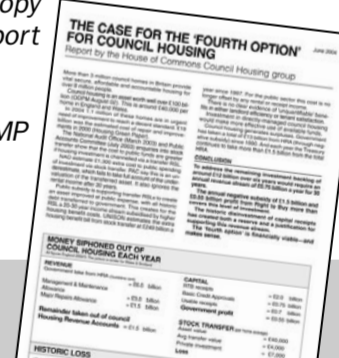
Many of the biggest trade unions are part of the campaign (UNISON, TGWU, GMB, UCATT, RMT, Amicus, MSF, GPMU).

Two back-bench committees of MPs have condemned their plans. The Public Accounts Committee has condemned the huge cost of transfer and questioned its benefits; while the select committee which oversees the Office of the Deputy Prime Minister demanded a level playing field for councils to be able to invest in their own stock.

More than 250 MPs have signed one of several Early Day Motions in support of direct investment in council housing. A significant number of MPs have joined the campaign for the first time in the last year. Together we are a force to be reckoned with.

They also spend millions of pounds each year subsidising privatisation. This money could be used to fund the fourth option – direct investment in our homes.

● *For a copy of the report contact Austin Mitchell MP on 0207 219 4559.*



An influential committee of MPs has criticised the government's current policy on Decent Homes and supports the call for direct investment to be made available as an option for councils:
"The Committee believes that there should be a level playing field between local authorities with retained stock, ALMOs, and stock transfer companies in terms of the mechanisms and volumes of funding available to them..."
(ODPM Select Committee, May 2004)

an extra £30m on top of the Decent Homes Standard if they chose transfer. Tenant campaigners said "the result in Cambridge illustrates that tenants don't willingly vote for privatisation unless they are blackmailed into it."

THIS CAMPAIGN IS WINNING

A big campaign by tenants backed by trade unions and sympathetic councillors, MPs and others is forcing the government to listen to tenants, and we have already won concessions. The Local Government Act, which became law in April 2004, conceded councils should have a new 'right to borrow', and this is allowing many councils like Sedgefield achieve all the investment we need.

In September 2004 John Prescott finally conceded "public financing of housing doesn't treat local authorities on a level playing field and I want to see that changed". He has since tried to squirm out of this promise but the pressure is growing.

Nationally there is enough money to do all the repairs and improvements tenants need, and if tenants keep saying NO to privatisation we can win much more.

The people of the north east have already shown that democracy works when they voted in the referendum for a regional assembly. Don't let the council bully you by telling you the transfer is a done deal. If tenants in Sedgefield use our democratic rights and vote NO then we can stop their privatisation plans.

WE'RE WINNING THE ARGUMENT

"It's no longer good enough for ministers to say that PFI, ALMOs and stock transfer are the only available routes for investment in housing stock." *Sir Jeremy Beecham, chairman of the Local Government Association, April 2004*

"Public financing of housing doesn't treat local authorities on a level playing field and I want to see that changed and I promised to do that and look at an enquiry into it."
Deputy Prime Minister John Prescott, at Labour party conference, September 2004

"Councillors, constituency parties, UNISON and the other trade unions gave a resounding thumbs down to the idea of stock transfer and ALMOs at Labour Party conference. We want the ability for councils to borrow to invest in improving council housing and REAL tenant choice over their housing options for the future." *Dave Prentis, UNISON General Secretary, October 2004*

"We can win this campaign – for us today and our children tomorrow. We can win first class council housing for tenants and protect the jobs and conditions of public sector workers who want to provide a first class service too. No-one wants privatisation. Stand up to the blackmail." *Alan Walter, national committee, Defend Council Housing, January 2005*

VOTE NO – Don't Take The Risk

TENANTS WILL HAVE LESS POWER AFTER SELL-OFF

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

At the moment individual tenants and tenants associations can lobby their local ward councillors and – as Sheffield and other tenants have done – vote them out.

The Board of Directors setup gives us a few token tenants, but they will be in a minority and their hands will be tied by company law. Ward Councillors will have the perfect excuse to blame the company – and say there is nothing they can do.

Tenants who sit on the boards of Housing Associations find they are gagged. They are constantly told the information they receive is 'in confidence' and they can't publicise it. Many who have spoken out for the interests of tenants have been kicked off the board.

The Audit Commission has criticised councils for "mis-selling" the role of board members: "tenants are often led

to believe they will have an explicit role in representing the interest of their fellow tenants on the board" when really "the directors responsibility takes supremacy". (*Improving Services Through Resident Involvement*, June 2004).

And a recent study by a researcher from Oxford Brookes University concluded that tenants on boards are "marginalised" and "powerless", and that boards are manipulated and controlled by senior managers. (*Changing Boards, Emerging Tensions*, Spring 2004).

There is certainly nothing democratic about the proposed board in Sedgefield – tenants were chosen by the council without any election at all. Ask yourself why have they set up a 'shadow board' ready to run the company when we haven't even decided if we want it yet?!

This isn't tenants power. A strong, independent tenants movement, with tenants associations in every estate and street, is a much more effective defence of tenants' interests.

A fair debate?

Why are the council so keen to keep the case against transfer hidden? Even the so-called "independent tenants advisor" is paid for by the council – hardly independent! And who expects SHG to put out balanced information, when they are so keen to add Sedgefield homes to their empire? We challenge the council to hold a fair and balanced debate, with equal resources for both sides, so tenants can hear all the facts and arguments.

"We have a proven track record as a landlord and I believe our council houses are amongst the best in the country.

I opposed stock transfer from day one and I have seen nothing that has changed my opinion on the subject "

Cllr. Christine Potts
Sedgefield Borough Councillor



IN THIS BALLOT EVERY VOTE COUNTS

The council would like tenants to believe that the outcome of this ballot is inevitable – but it isn't.

An effective campaign can win the argument. **NO Votes in Birmingham, Camden and many other places have shocked Ministers and policy makers and made MPs sit up and take notice.**

If Sedgefield tenants vote **NO** too then the government is under real pressure to give us Direct Investment – with no strings attached.

USE YOUR VOTE



"I voted against this when it was first proposed. We've provided a first class service to our tenants for years and I don't see why we shouldn't continue to do so in the future. I don't believe transfer is in the best interests of Sedgefield Borough Council tenants." **Cllr. Brian Avery, Sedgefield Borough Councillor**

Separate company makes no sense

Hiving off housing into a separate company will make co-operation across council departments more difficult.

Housing has a direct effect on our health and our children's education. It makes no sense to create a separate 'housing company'. It will make 'joined up thinking' more difficult when housing managers are following a separate 'company agenda'.

This campaign needs your help!

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

If you agree there should be a fair debate:

- **Distribute this broadsheet to every council home in your area;**
- **Put up posters on your estate and in your window;**
- **Organise a meeting and invite a speaker from the campaign to debate with the council so all tenants can hear both sides of the argument;**
- **Raise money to pay for the campaign;**

- **Most important... talk to your family, friends and neighbours and get them to VOTE NO.**

If you can help the campaign, please contact us: Tel: 0191 245 0800
Write: Sedgefield Against Transfer, c/o Derek Taylor, Sedgefield UNISON, Council Offices, Green Lane, Spennymoor, Co. Durham, DL16 6JQ

You can also find more detailed information from the national Defend Council Housing campaign:
Website: www.defendcouncilhousing.org.uk
Email: info@defendcouncilhousing.org.uk
Write: PO Box 33519, London E2 9WW.
Tel: 020 7987 9989

HOW MUCH WILL IT ALL COST?

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

Money that could be spent improving our homes is being wasted on glossy brochures, show trailers and even DVDs describing the benefits of sell-off. The council has budgeted £657,000 to spend before the ballot on their one-sided propaganda campaign. Think how

many new kitchens and bathrooms that could have paid for.

If we vote YES, the £657,000 will seem like a drop in the ocean compared to what the set-up costs will be. The new landlord will have to pay about £2.6 million and the council another £400,000, just to get the new company set up and incorporated into Sunderland Housing Group's empire. What a waste!

"We are going to make them listen – we'll have leaflets, petitions, demonstrations, the media coverage. There is so much opposition here, nobody wants this – not tenants, not staff, even most of the councillors. They know the homes are already up to high standard so what will they gain – nothing – but they have a lot to lose. If we can bring all these people together in a campaign I'm sure we'll win."

- **Pat McCourt, Sedgefield council employee and member of union Amicus.**



This broadsheet was written by council tenants and published by Sedgefield Against Transfer. Thanks to UNISON and Amicus for sponsoring this broadsheet so tenants hear the case against transfer.