

► VIEWPOINT

Taking Stock – Regeneration Programmes and Social Housing

Glyn Robbins

Nobody is going to say ‘no, take it away’ to money for deprived communities, but the national pressure group Defend Council Housing (DHC) has deep misgivings and criticisms of the way large-scale regeneration projects mislead and manipulate local residents into the de facto ‘privatization’ of long held community assets which are not theirs to give away, their council houses. This criticism comes in two inter-related parts; first the process of regeneration itself and second the extent to which it is stock transfer by default.

While working for a small Black and Minority Ethnic (BME) housing association (I am not completely opposed to all Registered Social Landlords!), I was involved in the early stages of the New Deal for Communities (NDC) in Stepney. My experience led me to conclude that NDC is not just a ‘new deal for consultants’, but the same old deal for communities. I remember the excitement in the area when the news was announced, but this was tempered by the worry that, if we were not careful, the process would be dominated by the usual suspects, by which we meant the local authority and those close to it.

In an effort to head this off, I joined a group of local community and voluntary sector workers, many of whom lived in the Stepney area. We had read the NDC bidding guidance and we wanted to make sure that, as it said, in Stepney we found new ways of doing things. Above all, we wanted local residents to be in the driving seat from the start and a blank sheet of paper – no pre-cooked agendas. The particular thing we were wary of was the possibility that Stepney NDC could become a chain and ball/new build housing programme. We wanted the community to have a chance to consider *all* the options and possibilities.

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No sooner did the senior council hierarchy find out what we were doing, than the letters started to fly. What became immediately clear was their alarm that any kind of community oriented discussion of NDC should take place without them present or in control. Our group was holding one of its early morning meetings (we actually met in our own unpaid time), when the Council Chief Executive turned up unannounced – not something we were used to!

For a brief moment the future of the project teetered in the balance. We had drafted a participatory structure in which Stepney residents were sovereign and all professionals, including the council, were at their disposal. When the Council heard this they called in the Government Office. Unfortunately, we backed off and the Council steamed in; a bureaucratic machine clicking into action. While maintaining a level of resident involvement, the emergent structure was dominated by the great and good – police, college lecturers, consultants nobody had heard of, the local MP and of course, the Council.

Three years on, I am sure the Stepney NDC could point to many outputs and outcomes, but my recent experience suggests that the regeneration mould was cast in those first six months. I resigned from the housing association a year ago (that's another story!) and became a freelance consultant. Several of the local groups I had previously worked with, now wanted me to work for them. These were small voluntary and community organizations, desperately trying to get some NDC funding or, if they already had some, to meet the outcomes. Writing business plans (are these really suitable for community groups?) and action plans, away days, risk assessments and procedures, all under the generic (and meaningless?) title of 'capacity building'.

The bids themselves require an initial proposal and appraisal, before the groups are permitted to fill out the full application form that runs to about 20 pages. I was recently involved with a small Somali education project who had a very simple idea. Over six months, half a dozen meetings have taken place, the outline proposal runs to three pages and they still haven't been given the green light to put in a bid. Had I been charging them for my time, it would have cost the group (i.e. the public purse) at least £3,000 so far. The process for applying for NDC funding might as well warn community groups 'don't try this at home – hire a consultant!' It isn't necessarily that the groups don't have the ability to fill in the forms; they might just not have the time. To use the jargon, this is 'disempowering' and goes against the very things NDC was set up to achieve.

My point is that the bureaucratic die was cast right at the beginning. The crucial issues are power and control and by refusing to relinquish any, the local authority bureaucracy perpetuates itself in its own likeness. A vital part of what was always the hidden agenda in Stepney is to use a substantial proportion of NDC funding for housing and here is the link between NDC and DCH.

On to housing. Regeneration may be a complex subject, but there is no mystery about UK housing policy in the last 25 years. Tory housing minister

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William Waldegrave spelled it out as long ago as 1987 when he said ‘Provision of housing by local authorities as landlords should gradually be diminished’. Starting with the Right to Buy, every significant piece of housing policy since has served this aim. The current Labour government has continued where the Tories left off, as their objective of ‘transferring’ 200,000 council homes a year to RSLs makes clear.

Defend Council Housing, which is a non-party political, national organization supported by tenants, MPs and four major trade unions, believes that the destruction (and no other word is appropriate) of council housing is a grave mistake. We argue there are a number of reasons why:

First, the new (Assured) tenancies are less secure than the old (Secure) ones. This argument is often obscured by legalese, but I don’t think there is a person reading this who would choose an Assured Tenancy above a Secure Tenancy if it were their housing choice. We are asked to believe that RSLs won’t use their additional contractual power to evict tenants, but recent Housing Corporation figures show that evictions by RSLs have risen dramatically in the last two years. The Council of Mortgage Lenders let the cat out of the bag recently when they voiced the concern of private financiers at the prospect of any improvement in the tenancy conditions of housing association tenants which, they say, would increase their risk.

Secondly, council house rents are cheaper than RSL rents by 17 per cent, and the difference will grow. This is as the over reliance of RSLs on private finance makes their tenants far more vulnerable to rent increases and indeed rents that are unaffordable unless you are on Housing Benefit, in which case tenants will be forced even deeper into the poverty trap they are in now. Low paid jobs will not meet the new higher rents. True, the full effects of rent restructuring remain to be seen, but the policy offers no comfort to council tenants because the prospect is of higher rents or poorer services, or both! For millions of people, council housing with affordable rents has been vital in their lives, meaning that they could live a decent life on an average wage in rent controlled housing. These opportunities are diminishing, and storing up problems for the future, to say nothing of the needs of the homeless or those on low wages.

A more fundamental philosophical point is that Council housing is democratically accountable. While there are issues about low levels of participation in the local political process and the claims of democratic accountability of councilors can be overblown, the fact remains that council tenants have a direct political relationship to their landlords. If they don’t like what they are doing, they can throw them out. And they do, as the councilor in Birmingham most heavily associated with stock transfer found out to his cost. In contrast, the governance of RSLs is, from the point of view of tenants, unelectable, unrecall-

able and to a large extent, unaccountable. At most, only one third of RSL Board members come from tenants.

From the regeneration perspective, council housing has a long and rich tradition of nurturing and encouraging community participation through tenant organizations. RSLs have no such tradition and have a very mixed record of genuine tenant involvement. On the contrary, there are increasing signs of the professionalization of RSL governance. This is reflected in the social composition of many RSL Boards and in the recurring calls for Board Members to be paid.

I have recently been working with tenant groups in Greenwich where, at the moment, there is not threat of stock transfer. Some of the meetings that have taken place have been object lessons in the kind of ideals that NDC claims to strive for. Tenants discuss common concerns with politicians, officers and other professionals, sharing an objective to improve the housing service. If NDC is about increasing grass roots participation in local communities, it is perverse to destroy the housing tenure that actually encourages such participation.

Council housing and the land it's built on is public property. It is often overlooked that when council homes are transferred to RSLs, the land changes hands too. Indeed, it is often the land that carries the real value to the RSL and it's a one-way ticket. Publicly owned assets are being disposed of that have accumulated value over many years, by which I don't just mean financial value. Local councils had to fight for the right to build housing in the first place, in the face of opposition from central government and private interests. The efforts of the pioneers of council housing should not be given away, nor should the accumulated value of generations of tenants' rents and public investment. While DCH is sympathetic to those tenants who, in the face of a loaded gun (told by councils 'your only opportunity for regeneration is if you transfer') do vote for transfer in a desperate attempt to improve their housing – *there is a real sense in which it is not theirs to vote away*. It is even less legitimate for their homes to be re-mortgaged to private finance institutions.

This is not a misty-eyed eulogy for the days of George Lansbury and Nye Bevin (or at least it's not only that!). The fact remains that in our one hundred years of public housing policy, the private market has never been able to deliver the goods for a sustained period of time and when the crisis becomes too deep, public housing through local councils has been the answer. DCH believes it will be again. At a time when there is great concern about housing for teachers and fire fighters, it is apparent that, even for those on reasonable incomes, neither the free market, nor apparently, housing associations, are able to meet their housing needs.

I do not want to get into what can be a rather semantic argument about whether or not housing associations are in the private sector, but there are two things for sure; they are certainly not public sector organizations and nor are the

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banks they borrow money from. As with tenant participation, there is a perverse effect here in terms of stock transfer and urban regeneration. There has been much made of the benefits to communities of asset transfers and yet the disposal of council housing transfers what is the most valuable community asset, out of public ownership.

Similarly, there is a real contradiction between the espoused aims of regeneration and stock transfers. Stock transfers are divisive. The promotion of transfers explicitly encourages tenants to think not about their neighbours and their community, but about themselves and their block. Stock transfers destroy the collective strength of council housing, in terms of human and financial capital (which is precisely why some people want it to happen).

Stock transfer deepens social exclusion. The residualization of council housing and the people who live in it is dangerous. What will become of the council housing and council tenants who are left behind? The prospect of residualized, marginalized estates is all too apparent and whether by design or default, the process has begun. Shelter have already highlighted the poor record of transfer RSLs for housing the statutory homeless – where will these people be housed? I have already referred to the increasing use of eviction powers by RSLs – where will these people be housed if they have children? The increasing use of probationary tenancies and ‘get tough’ (or authoritarian) approaches to housing management opens up the prospect of a layer of people labeled as ‘anti-social’ or ‘management problems’ – where will these people be housed?

Ten years ago I spent some time working in public housing in the United States and ever since I have been boring anyone who will listen with the warning that if we allow council housing to become like the projects, we will rue the day. The people I know who work in US public housing are amazed when I tell them that the UK government is trying to eradicate council housing. They understand, from bitter experience, that a diminished and enfeebled sector will face massive problems.

Characterizations of the problems of council housing are based on stereotypes, not policy. Like most other fields of human endeavour, council housing has problems, but these are too often exaggerated and exploited by the pro-transfer lobby to create an image that many council tenants would not recognize. The easy tabloid-speak of ‘sink estates’ fails to properly address the real issues that confront council housing, which are historic under-investment, low morale (of staff and tenants), poor management and a lack of creative vision. It is ironic (and disgraceful) that the very same people who have held senior positions in housing departments during this decline, now seek to take personal advantage by exploiting a situation for which they carry some responsibility.

The fact is that there still is lots of good, well built, well maintained council housing lived in by people who are not part of some mythologized ‘underclass’. When offered a free, unloaded choice, most council tenants say they want to remain council tenants and yet this is the choice they are being told they cannot have.

The dismantling of council housing does not make financial sense. There is not the space to fully discuss this issue, but contrary to the ‘there is no alternative’ argument, there are many ways in which public investment *could* be used to maintain healthy and solvent council housing. They include releasing twenty years of capital receipts, stopping (and repaying) the use of council rents to pay housing benefit bills, or relaxing public borrowing rules (which by the time this Viewpoint is published might be happening anyway). And the fundamental point is that when stock transfers do take place, all of a sudden it is possible for former council housing to be relieved of its debt burden. If the money is there, why can’t this happen without stock transfer?

And finally, something that is often forgotten, better housing management! Instead of the millions of pounds of public money currently being spent on ‘consultation’ to promote stock transfers, the money could be spent on improving council housing. It is impossible to conclude anything other than that, as Mr. Waldegrave spelt out all those years ago, council housing is really being attacked because some people don’t like it.

And of course, an obscene amount of those wasted millions spent on transfers are going straight to consultants, which brings me back to New Deal for Communities. In the name of urban regeneration, around the country thousands of council homes and millions of pounds of public assets, are being lost and with even less political accountability than LSVTs.

The clearest example of the relationship between regeneration and stock transfers is to be found on the Aylesbury estate in Southwark where local people have said ‘yes’ to regeneration cash, but ‘no’ to the loss of council housing that was expected to go with it. Aylesbury and similar examples in Hackney demonstrate what DCH says about all forms of stock transfer, that they are a bribe. Giving council tenants a choice between poor housing, or losing the form of housing that most of them prefer in return for better conditions, is not a choice.

Birmingham tenants’ vote against citywide transfer undoubtedly throws the government’s ambitions into disarray and this will crucially impact on the target of meeting the decency threshold by 2010. The tenant movement against transfers is gathering steam and will be given further encouragement by the amendments to the Local Government Bill that will allow Councils to borrow private finance against the rent roll. The House of Commons housing select committee and the National Audit Office are both looking closely at the transfer policy from the point of view of value for money and housing policy.

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The pun in the title this article – ‘Taking Stock’ – is not subtle, but nor is the transfer policy. Nobody, least of all DCH and council tenants, are saying that council housing is perfect and not in need of improvement. It is precisely because we want to see proper investment and good management in council housing that we are fighting to preserve it. Attacks on council housing are often based on ideology or self-interest. Crucially, as with many examples of NDC, the so-called solutions are being proposed by people who neither live in the area they are talking about or in the tenure they are trying to undermine.

Council housing can once again be at the centre of housing and urban policy. It makes sense economically, socially and politically. If we destroy council housing now, in ten years time we’ll have to reinvent it.