

BUT WE ALREADY HAVE COMMUNITY OWNERSHIP – MAKING COUNCIL HOUSING WORK

Paper given by Dr Sarah Glynn (Institute of Geography, University of Edinburgh) to the Alternative Economic Strategy Workshop, STUC Glasgow, Friday 28th April 2006

The Scottish Executive is pushing the privatisation of council housing under the slogan of community ownership and tenant control. But council housing is already owned by the community. We all – tenants, residents and future tenants – jointly own the council housing in our town or county. Only in New-Labour-Speak can transfer to a private organisation be translated as ‘increasing community ownership’.

‘Tenant control’ may seem to be being formally addressed under the new system, but tenant representatives on housing association boards have found that their input is limited to fine-tuning the management agenda, and registered tenants’ organisations are tightly monitored.

Like other nationalised services, public housing currently struggles under the weight of an irresponsive bureaucracy, but we argue that greater tenant control can in fact only be achieved under real community – that is, public - ownership. The need is not to end public ownership, but to make it responsive to tenants.

The final part of this paper will look at how to improve tenant involvement, but first I want to explain why it is essential to retain public ownership. To begin with, as has often been said before, you can’t control what you don’t own; so for public control you need public ownership.

Housing co-ops and small-scale local housing associations are often put forward as a way of facilitating local control, but we would argue that this is a dangerous strategy that can sow the seeds of future problems. Housing associations are themselves not-for-profit organisations, but they are heavily dependent on private finance. The banks, building societies and other lenders all expect a return on their investments in the form of interest, so housing associations are providing profits second hand. The large rent rises experienced in the housing association sector have been made in order to finance these loans and provide profits for the finance companies.

Generally, tenants are in a minority on housing association boards. In stock transfer, tenants are promised an important role, but there are numerous examples of tenants finding themselves dismissed from their housing association board after being perceived to have spoken out of line. All board members are required to work in the interests of the association, which, as we have seen, is in hock to private finance. Tenant board members are not there to act as tenant representatives. Even co-operative housing associations, with a board made up entirely of tenants, cannot escape the demands of their financial lenders.

Most co-ops who own their property (as distinct from just managing it) were established as a result of generous grant funding in the 70s and 80s. Today, much reduced public funding is only available for organisations who have also raised private finance.

A co-op relies on a group of people having and maintaining shared ideas and commitment. But people's circumstances change, and few co-ops can continue in the spirit of their original founders. The interests of current members may often outweigh the preservation of the co-op as a resource for future generations. Managing property is a complicated and time-consuming business, and many co-ops actually employ a management company to do this for them.

Small Housing associations or co-ops, of the sort that are put forward as the friendly alternative to state ownership, are very susceptible to take over by larger organisations. They do not have the economies of scale of larger organisations and have difficulties in being commercially viable.

For example, in Edinburgh, both Edinvar and Capital City Homes couldn't make finances stack up as small housing associations, and joined the huge Places for People Group. Places for People owns over 50,000 homes across the UK and has an annual turnover of over £200million.

In Dundee, it has been announced that a local co-op with just under 120 properties has failed to find sufficient people interested in forming a management committee, and tenants are being asked to vote on transferring their homes to the big Sanctuary Housing Association

In Aberdeenshire, six small co-ops were formed by stock transfer from Scottish Homes in the mid nineties, but these were deemed too small to be self sufficient, so they teamed up with a not-for-profit management company; and subsequently co-ops and management company all merged into a giant co-op. Tenants First owns over 1200 homes and assets of over £20million.

This growth of the local co-op into major financial organisations can perhaps be compared to the evolution of modern building societies from their origins as small self-help organisations. Both are now big business

It is also worth noting that even large housing associations are acknowledged to have very significantly higher running costs than local authority housing departments.

As we have seen, small-scale local organisations have not proved very viable. But emphasis on local organisations also has another major problem that is not found public housing: it does not allow for strategic planning.

Public housing is not only the best value economically; it also, crucially, enables housing development to respond to actual and future housing need across a local authority area. With the right investment and management, public ownership and control can look after the interests of future tenants as well as current ones; it can use cross-subsidy to ensure money goes to where it is most needed; and it can integrate the planning of houses with other services - schools, community centres health centres shops, roads, paths and parks. In fact it allows the linking of many different things that help promote the growth of strong communities. In Dundee, for example, the council's direct labour organisation still provides good value maintenance, and also training for future building workers.

As council housing has been allowed to become more and more run down (and the best homes have largely been sold off under Right to Buy) there has been a fashion for portraying council housing as the last choice option that no-one really would want to live in. Serious studies argue that there is only limited 'demand' for council homes. But demand is not a fixed number out there waiting to be discovered. If council homes are invested in and made more attractive, then demand will go up in response.

We are increasingly being made to believe that home ownership is everyone's natural aspiration, and large mortgages are accepted as a common millstone. Yet, in the late 70s, 50% of households in Scotland lived in public sector housing. When, after the Second World War, Aneurin Bevan raised standards of council housing and made the homes available to all classes, he envisaged them providing a universal service of housing, like the NHS in health. It didn't happen that way, but there is no reason why public housing should not be universally desirable.

However, we still need to ask how we can make public ownership more responsive to tenants?

The Housing (Scotland) Act 2001 gives tenants new rights to be involved in management of their homes, and also places a duty on landlords to produce tenant participation strategies. This all part of a rhetoric of participation that is being used to camouflage increasing regulation and control. What is being encouraged, is the proliferation of highly regulated tenants' organisations that survive on the basis of grant funding and dare not criticise the organisations and structures that they rely on for money and facilities. These can become the tenant organisation equivalent of yellow unions set up by employers or the state.

For example, in Dundee, the Federation of Tenants' Organisations was persuaded to organise a consultative ballot on stock transfer on behalf of the council (who were thus able to keep their own hands clean); and they used their council-funded glossy leaflet to set out the pro-transfer case.

The extent that the political and economic establishment may go to to maintain control was demonstrated recently when tenants tried to set up an independent tenants' organisation in an estate in Glasgow. First, several different people found that they had been told independently by a representative from Glasgow Housing Association that no-one else was interested in setting up a tenants group, so it was not feasible. Then, when this was shown not to be true, a GHA representative tried to do all the organising herself, presenting tenants with a ready-made constitution and attempting to control meetings. When the tenants insisted on remaining independent, they were refused the use of meeting rooms on flimsy excuses, and ended up having to meet in the building's drying room.

But if the owners and management of housing (private or council) are to be kept to account, we need independent tenants' organisations representing the views of tenants, and without another agenda.

How can this be organised and what are the lessons from history?

There are many historic examples of tenant organisation, and some important successes. Mostly these have been in response to particular crises (for example, the rent strikes against exploitative rent rises during the First World War, or the squatting movement in response to housing shortage after the Second World War). But perhaps the time Britain came closest to creating a general tenants' movement, working towards all round improvement, was during the late 30s; a movement that was cut across by World War 2.

The thirties tenants' movement got its strength through active **grass roots campaigning** and through local organisations **supporting each other and combining together** to form regional and then national structures. These organisations moved beyond defensive actions, to initiate proactive campaigns concentrating on areas badly in need of improvement.

Phil Piratin's account in *Our Flag Stays Red* can be criticised for being too personal and oversimplified, but it still provides an important insight into how this worked. He explains how, as the movement grew and spread, more people realised what was possible through organisation, and how people gained confidence and organising skills. (And he also talks about the role played by sympathetic professionals - like those at this workshop.) At one point he describes tenants' committees 'acting as a kind of shop stewards' committee' (p39), and this suggests a useful model for tenant organisation.

Constructive tenant participation does not mean getting bogged down in how to repay financial loans; or in registered tenants' organisations that daren't do anything that might upset their funders. It means setting up independent organisations that represent the interests of tenants, and win recognition as tenants' representatives because tenants are joining them and using them to put forward their concerns.

What we are talking about is something that can act like a trade union for tenants, with very active local branches.

Public ownership is the best guardian of housing for present and future tenants, and offers the best hope of strategic integrated community planning; but it needs to be made responsive to tenants' needs and concerns through an active and powerful independent tenants' movement.