

Get off the fence Harriet – Labour should oppose the theft of 'social housing'

At the recent Prime Minister's Question Time David Cameron goaded interim Labour Leader Harriet Harman on Labour's attitude to the extension of 'right to buy' to Housing Associations. Did Labour agree with it? She failed to answer, repeatedly. Why? Her failure to respond reflects Labour's fear that they will be denounced as being against "aspiration". Yet the answer to Cameron should have been obvious. *The government has no right to tell independent organisations that they have to sell their properties.* With a little intelligence, something seemingly beyond the Labour front bench currently, she could have pointed out that if Labour has proposed extending the 'right to buy' to the properties of private landlords the Tories would have screamed that this was theft, class war, or even worse, socialism. Heaven forbid, this would challenge the sanctity of private property. But isn't that what the government is proposing in relation to Housing Associations which are private businesses, albeit that most of them have charity status? How can they tell these independent organisations what to do? Whatever happened to 'localism'?

Harman could have said that Cameron only appears to care about the aspiration to home ownership but he doesn't appear to give a damn about the aspiration to be able to feed your children without relying on a food bank, the aspiration to be able to afford to put the heating on in the winter when it's cold, the aspiration to be helped to find work rather than suffer the state harassment of the DWP 'sanctioning' regime, the aspiration to be able to stay in your long term home without fear of being driven out because you have a 'spare' bedroom and you can't afford to pay the 'bedroom tax'.

The government is proposing to force Councils to sell off their 'high value' properties (the top 30% by value) to subsidise the sale of Housing Association homes. Harman should have told Cameron *the government has no right to do this*. Why should Councils be forced to sell their home to subsidise a give-away of the property of other organisations?

Under-funding Housing Revenue Accounts

She could have told him that this will undermine the finances of local authority Housing Revenue Accounts (HRA). If the 'high value stock' is given away to subsidise the Housing Association sell-off then the financial plans which Councils have made will be undermined. They will have insufficient money to maintain and improve their stock to the level they planned for. They will have less rental income than they estimated in the 30 year 'business plans' that the government told them they had to draw up. Since the HRA does not have any government subsidy it is only the rent which pays for the upkeep of the homes. Enforced sell off of these homes will mean that the HRA will be under-funded to the detriment of the quality of their housing stock.

When the new housing finance system – 'self-financing' was introduced – local authorities were said to have 'bought themselves out' of the national housing subsidy system. In order to be able to keep all the rent they collected¹, what was supposed to be the national housing 'debt' (largely the result of creative accountancy by the Treasury), was shared out amongst local authorities. The level of 'debt' they were given was based on an assessment of the value of each Council's stock and the rental income they were expected

¹ A majority of local authorities suffered 'negative subsidy', meaning they had to hand over rental income to central government. Towards the end of the old system Council tenants' rents were subsidising the Treasury.

to receive over 30 years. The sale of 'high value' homes, dreamed up after this new system was put in place, means that Councils will in effect be paying off 'debt' for properties that they do not own and for rental income that they will no longer receive. This would mean that the government was fleecing tenants who pay the 'debt' through their rent.

It's also worth pointing out that the larger family homes which constitute the 'highest value' homes were supposed to be freed up by the 'bedroom tax' yet the government is proposing that Councils sell them off.

Harriet Harman should have denounced Cameron's proposals as *theft* of Council homes. She could have explained (had she known anything about housing) that the Housing Bill which the government is proposing will make the shortage of genuinely affordable homes for rent even worse than it is now. Even if Housing Associations were able to build a replacement home for each one sold (this won't happen) this would mean that their stock numbers would remain the same, rather than their being able to increase their numbers. There will be a decline in the number of 'social homes' available for people on the housing waiting lists.

If the Bill is presented to Parliament then Labour's position is *critical*. The only chance of it being voted down (we shouldn't forget that the Tories have a small parliamentary majority) is if Labour opposes it and seriously mobilises its MP's to vote against it with a three line whip. Failure to oppose this theft of 'social housing' would constitute *a real betrayal* of all the people on the waiting lists, of those in overcrowded conditions and those who are living in overpriced and inadequate private rented accommodation.

Labour must get off the fence

Every pressure must be brought to bear on Labour to get off the fence and denounce Cameron's Bill because it is wrong in principle and because it will make the housing crisis worse. Labour doesn't even have to abandon its support for (old style 'right to buy') to oppose this proposal, since the sale of Council homes in this case will not be to sitting tenants but on the open market.

If they cannot bring themselves as a party to oppose the Tories proposals then it really will pose the question, exactly what is Labour for? If it cannot oppose the theft of 'social housing' then it is worse than useless.

The trades unions affiliated to Labour have a particular responsibility to pressure Labour to oppose the extension of 'right to buy'. It is their members, many of whom suffer the consequences of the housing crisis, who will find their plight even worse if these proposals are pushed through Parliament.

It's time for Labour to get off the fence. Harriet Harman and every Labour MP should be told in no uncertain terms to oppose this Bill, oppose the theft of Council and Housing Association homes, or Labour will be culpable for the social consequences of a piece of legislation which was little more than a desperate election bribe at a time when they were not confident of winning a majority.

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