

Rip it up and sta

While very few people understand the intricacies of housing finance, a few simple sums give a vital message about council housing.

The number of people who have chosen their local council to be their landlord is almost one million. These residents are paying millions of pounds in rents into the national Housing Revenue Account (HRA) subsidy system. The national pot is moving into a surplus of £194m this year. That surplus will reach £303m by 2010 and £750m by 2020 – the date by which Government has set a target for three million new homes.

Those people who live in council properties have no guarantee that this money paid into the Exchequer will be spent on housing, rather than health, education or other national priorities – let alone that it will be spent building and maintaining homes in their own neighbourhoods.

The current local government housing finance system is an additional tax on tenants, which amounts to a smash and grab raid on those least able to afford it. And councils with retained stock do not have a level playing field with other social housing in being able to borrow against assets to re-invest in building new homes. The

Tinkering around the edges of housing finance won't do. The review that is under way must end the 'smash and grab' raid on tenants and recognise the value of council housing in tackling the national crisis, argues **Cllr Martin Johnson**

Association of Retained Council Housing (ARCH) was set up two years ago as a cross-party organisation to fight for a better deal for residents who have voted for the council to be their landlord. The future of council housing is not sustainable under the current financial regime, which is universally acknowledged to be unfair and unpredictable – not to mention unfathomable even among professionals. ARCH is now involved in the review of the HRA being run by the Department for Communities and Local Government and Treasury. It also joined with the LGA and other concerned organisations to produce the position paper *My Money Went to Whitehall*, which calls upon ministers to fundamentally

change the housing finance system. ARCH is a cross party organisation. This is not an ideological debate; it is common sense. Councils are well placed to manage, maintain and build housing. Their ability to do so is being compromised at a time when the nation is crying out for affordable housing and the credit crunch will make matters much worse.

My own Conservative flagship authority, Wandsworth LBC, is committed to local authority housing and holds the vice-chairmanship of ARCH. We bucked the trend when local authorities were pushed to offload their stock and 92% of our respondents opted to stick with the council rather than transfer to other landlords. We have 17,000 tenants and 17,000 leaseholders, which means we have mixed communities on practically every estate. Marlene Price, who lives on Wandsworth's York Road estate, is resident representative on ARCH's executive board.

Residents in Wandsworth are contributing £15m into the national pot this year and getting little in return. That will rise to £23m next year. This could be spent on better services locally; on maintaining and improving our stock and building new homes. Housing is not just about a



Start again

roof over people's heads. It is the foundation of good health, education, decent neighbourhoods and stable family life. Councils are well placed to combine effective management of properties with a wider strategic perspective on housing issues.

There are no easy answers on housing finance. Housing managers in a recent ARCH survey said there was no aspect of the current system they would want to keep. The existing system has become so complex and inequitable that the whole thing requires root and branch reform. ARCH will be drawing upon expert knowledge and the experiences of officers and councillors in member authorities and – most importantly – tenants to develop detailed responses and potential solutions in the months ahead.

The principles of ARCH's position on funding for local authority housing were set out when members met for its Annual General Meeting in London on 2nd July. ARCH believes the existing HRA mechanism should be scrapped rather than reformed.

Councils should have self-determination on housing finance. We believe retained stock authorities

should have sufficient resources – raised through grants, borrowing, rents and asset management – to manage stock effectively. Retained stock authorities should be able to borrow money to manage improvements and replenish stock. And rent determination should be a local decision.

Transitional arrangements are inevitable in order to move from the old, defunct system to a fairer, more transparent one. But buying out is not an option for most stock retained authorities. My own authority would need to find £600m, which is totally unrealistic. Common sense arguments – put forward by ARCH on behalf of retained stock authorities and their residents who want a new, fairer deal – are gathering momentum. It is time for Government to listen. ■

Cllr Martin Johnson is executive member for housing Wandsworth LBC, which holds the vice-chairmanship of the Association of Retained Council Housing (ARCH). ARCH has joined with other housing bodies to support the LGA's position paper My Money Went to Whitehall.



IAN HOWER

No place like home

Demolishing an estate has a huge impact on the residents. **Petra Barnby** went to Southwark to hear how they tried to make it as pain-free as possible

Unhappily for some, the regeneration of an area often goes hand-in-hand with the demolition of at least one fading 60s housing block. The Heygate estate in south London, home to 4,300 people, is one such monolith soon to be razed as part of Southwark LBC's £1.5bn, 170-acre 'regeneration masterplan'.

For a council asking tenants to give up their homes against their will so they can be demolished is one of the biggest, and most sensitive, jobs it can do.

Southwark is in the process of shifting around 1,300 households, which must each find suitable housing and be relocated by September 2009 - the whole job is estimated to cost £500,000.

In a couple of years from now, when the dust has settled and the exodus is long forgotten, the crumbling housing block Heygate residents once called home, will be replaced by 5,300 new homes, a pedestrianised town centre, market square and green spaces.

Project manager of the mass move Rev Ola Agbaimoni heads up the 55-strong team who are helping residents through the labyrinthine job of moving house. There has been extensive partnership work and, so far, it seems to be working. It is the first time that partnership working has been used to manage a rehousing scheme in the borough.

Rev Agbaimoni developed a clear strategy before starting the rehousing project. 'My ethos is to deliver a service that really puts the local residents at its heart. We are dealing with people and sometimes public services seem to forget this. Some people have lived on the estate more than 30 years or all of their adult life. For many people living on the estate, this move isn't what they would have chosen at this time so it is important that we remember this when dealing with them.'

Southwark staff have come up with their own ideas for how to manage the move. They set up a case management team whose job it is to look after the physical side of moving people including helping people to find new schools, register with their new GPs and arrange removal services. Every resident is assigned a case management officer who works with them throughout the move. The team work in an office on the estate so that all residents can see their officer at a time that suits them.

Working alongside the case management team is the housing team made up of anti social behaviour specialists, housing officers, youth workers, environmental enforcement officers, community support officers and mediation services - their job it is to keep the estate safe and to reassure residents. So far the team has forced out 58 squatters from empty homes. The anti social behaviour unit do a monthly 'blitz' of the estate to make sure that empty properties are secure and they hold weekly surgeries for anyone who wants to discuss issues of anti social behaviour on the estate. Each household has received a 'home-loss' payout of £4,400 from the council and a 'disturbance' payout for any incremental moving costs.

All tenants are able to decide which rehousing route they would like to follow - either moving to a new housing association property, or to existing council housing within the borough – and the decision is binding. Every resident who wants to move to a new housing association home is able to, and they can also choose where this home will be located and what fittings and finishes it will have. Rev Agbaimoni advises other councils facing the same challenge to prepare. 'It is really important to take the time to do the project planning and the project mobilisation. That is working out your objectives, the business case for doing what you're doing, how you are going to do it and your key risks etc. ■