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### Tory anti-social housing programme

One of the largest housing associations in the UK has announced it will no longer build social housing. Instead, it will only build homes for sale, for rent at full market rates, or for shared ownership. Significantly, Genesis housing association, which owns 33,000 homes around London and the south-east, will also consider selling or raising the rents on its existing social homes as they become vacant. Other associations are reportedly looking at similar moves: Aster with 27,000 homes and Hyde with 50,000 have been named.

Pointing to the recent budget, Genesis boss, Neil Hadden, says that the government is “no longer interested” in low-cost rented housing. But his association actually sponsored research by the Policy Exchange think-tank which is at the root of much of the housing policy in the budget. Hadden was asked by Inside Housing magazine whether that means that Genesis will stop providing housing to those on the lowest incomes. His reply was blunt: “I could be really harsh and say that won’t be my problem. My problem will be to supply new housing at different price points in locations where the economics of those schemes stack up. Because of where we work, the demand will be there for those properties”. This is a simple commercial approach without even a veneer of social purpose. Most housing association chiefs have been taking steps in this direction for years.

The Policy Exchange report, ‘Freeing Housing Associations’, calls for associations that would operate without grant and outside of the, already reduced, regulatory regime. Housing consultant Alistair McIntosh wrote: “Housing associations will be set free to roam as private companies... This is a juicy steak one millimetre away from a slaving dog’s mouth. I am of course putting aside the morality. But money is talking. And the politicians will listen to it in the end. Privatisation is going to be a done deal”. Labour failed to condemn the proposals.

The report claims that housing associations would build more homes if freed from ‘byzantine’ regulation. It does not criticise the 60% cut in the social housing grant for buildings built during the Con-Dem government. It suggests that housing investment of £1.1 billion per year is too high “at a time of austerity”. Associations would buy out their debt at a 50% discount and proceed without grant. They would then be free to sell properties without consent, to set their own rents, and to choose their tenants rather than taking people on the basis of need referred from local authorities. McIntosh correctly predicted a “battle royal” for frontline staff to get a living wage, higher rents, more evictions and a worse service for tenants. The housing ombudsman, who handles complaints about associations from tenants, is reporting a surge in complaints and says it will be unable to cope with the workload.

Housing associations have £45 billion of historic grant on their balance sheets and £52 billion of debt. Their stock is valued at over £300 billion. Policy Exchange proposes a 50% discount so £45 billion investment would be sold off for about £22.5 billion. This and the reduced assurance from regulation would put up borrowing costs which, no doubt, would be passed on in higher rent. There would be a massive loss to ‘the taxpayer’ in the long run – a discount on assets which will have risen in value – but it would mean a windfall for the treasury.

Housing associations do not distribute profit to their shareholders but they do develop housing by a mix of grant and borrowing, with interest repayments going to the lenders. As the house-price bubble continues to inflate, pushing prices beyond reach, and a lack of secure jobs makes traditional house building funded by individual mortgages less and less sustainable, building for rent is becoming more significant for capital, although policy continues to support home ownership.

Housing associations have been keen to work with developers and local authorities in 'social cleansing' regeneration schemes. Their role is as financially reliable conduits for capital but with a badge of social acceptability. There are signs of this breaking down, however. Resident opposition to a plan to demolish social housing on the Isle of Dogs led Tower Hamlets council to suspend One Housing Group as a 'preferred provider'. The campaign, formed from a local Socialist Party public meeting, intends to stop any form of social cleansing and to ensure improved services from One Housing Group.

The council's moves, under pressure, already give the lie to the idea that there is nothing councils can do. The list of councillors who back Jeremy Corbyn's campaign for Labour Party leader includes many in Labour councils implementing 'social cleansing' schemes. They should take note of the support that Corbyn has attracted and call a halt.

The Tory government's plans to introduce right-to-buy in the housing association sector came as an unpleasant shock to many association chiefs – and to those who recognise the severe lack of social housing! Some have been mounting a challenge to what they see as a threat to the assets of their businesses. Lord Kerslake, the chair of Peabody housing association, has had some success in obstructing the government's legislative programme. The Financial Times has also carried articles opposing the policy.

However, a coordinated series of reports in The Times and The Spectator, and a lead item on Channel Four news, attacked housing associations (particularly Peabody) and their chief executives on six-figure salaries, as the villains of the piece responsible for the lack of house building. This attack was clearly intended to put up a smokescreen about the real causes of the low rate of house building – crucially, austerity – along with an element of retribution against Peabody for rocking the boat.

Of course, tenants and people on waiting lists will not have much sympathy for those on six-figure salaries, but many associations pay some of their workers below the living wage. Within a week of the press attack, a Peabody staff member at a union meeting I attended reported the difficulty in raising young children while living in a bedsit. Members voiced their disgust that senior staff pay was boosted while theirs is held back. They gave their support to tenants in a Peabody subsidiary whose community-based model of provision is being snuffed out. Workers in housing associations have every reason to understand the frustrations of their tenants!

At the last election Labour was unable to mobilise enthusiasm because of its attachment to austerity. In terms of housing this meant that the height of Labour's 'aspiration' was to build a total of 200,000 homes (not just social housing) in the last year of a Labour government, while at least 240,000 would be needed each year just to keep pace with demand. The enthusiasm for Jeremy Corbyn, who has broken with the austerity consensus of Westminster to propose serious investment in housing, gives a glimpse of how British politics can be changed. The parallels with the growth of anti-austerity parties around Europe are apparent.

In Spain, Manuela Carmena was recently elected as mayor of Madrid under the banner of a local coalition which included Podemos, on a programme that focused on housing. Tens of thousands of families have been evicted in Spain since the 2008 financial crisis. Carmena has

annulled eviction orders for 70 families living in social housing, while preserving over 2,000 similar rental contracts. The evictions in Madrid followed a 2012 deal by social housing body, EMVS, to sell five blocks of public housing to a real estate developer. Tenants were expected to sign new contracts, including a sell-by date on their subsidised terms, in order to make the flats more attractive to sell off. Carmena 'discussed' evictions with directors of the big banks. That discussion took place with the threat of mass action behind her.

In Britain, with the experience of mass council housing in the past, the demand for social housing, owned by the state and democratically accountable to communities, could gain a real echo. It will be important for the development of an anti-austerity left that candidates stand on a programme than can break with the old politics and draw on this new mood.

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<http://www.socialismtoday.org/index.html>