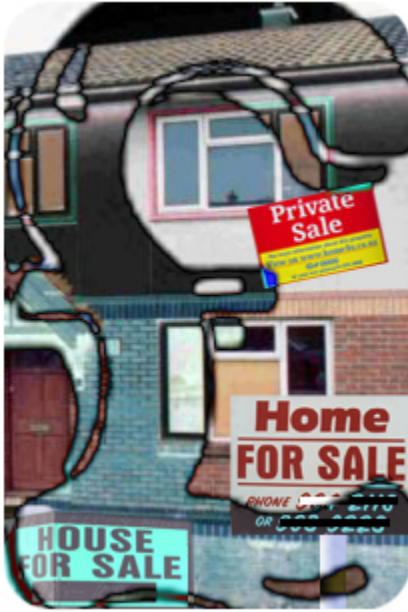


HOUSING CHOICES



In the last week the government has given Nottingham a clip round the ear and a poison chalice. The clip round the ear was the announcement that the City was to have its council tax capped. It came as something of a last minute shock. Most City officials, and the City's MPs, had been getting messages that Nottingham was not in anyone's list for capping. Then the weekend papers fingered us as a rebel authority and all hell broke loose.

I am now persuaded this particular crisis was part of the cock-up theory of history. Let's be charitable. There was a mix up over how to divide up the previous costs of the Fire Service. Maybe the City got this wrong. Maybe government officials misread the documents. But when the error was spotted, all that civil servants had to do was pick up the phone and the matter would have been sorted out by discussion

rather than high drama.

Nottingham 's MPs have now fixed up a meeting between the Council and the Minister and I am confident that all will be sorted out. Less comforting is the poison chalice.

The government has told Nottingham , it can proceed with plans for an ALMO – an arms' length management organisation – to transfer its council housing stock into. For central government, and fans of Enron accounting, it is a cunning plan. For everyone else it's just a dodgy deal.

Nottingham is being promised unspecified amounts of money for its ALMO. What the government will not do is allow councils the same money to improve housing themselves. I don't blame the Council for looking at ALMOs, because it is all they are being offered, but it is a wretched and dishonest offer.

In the 1980s, Margaret Thatcher would have sold off council housing to any passing carpet company. The views of tenants (and whole communities) were to count for nothing. Today's proposals are just a camouflage version of the same approach. Council tenants are told that to get their houses modernised they must choose a new landlord, any landlord...as long as it is not the Council.

In Birmingham , Liverpool , Camden and Wrexham tenants have roundly rejected transfer proposals. Most have done so on practical rather than ideological grounds.

In Westminster , the ALMO is already running out of money and has notified tenants on 2 large estates that their homes are all to be sold. Leeds set up 6 separate ALMOs and all are struggling. Four of them have received no extra money. Tenants have ended up with next to no influence in their management. Local councillors are powerless. MPs describe the tenants as having been "cheated". But there is a silver lining. An extra £1 million went in to pay higher salaries for the managers.

Across the country, tenants who have gone down this path are becoming angry about the new trap they

have been thrown into. And in the most recent ballots the plans have been thrown out altogether.

In Parliament, the 'Defend Council Housing' group of MPs are due to hold our first open hearings on the scam of council housing transfers. We will be taking evidence about the way that the real money has been going into the hands of marketing consultants and senior managers rather than into improving housing stock.

The Local Government Association has joined MPs in demanding that tenants should have a Fourth Option – the right to remain as council tenants and have the housing investment money come directly through the local authority. I hope Nottingham tenants make the same choice.

The villain in the piece is not the local council. They hope that tenants will be protected by the fact that properties will still be owned by the Council. Across the country tenants are discovering that it is a forlorn hope. Arms length is the first step to privatisation. It becomes a lucrative trade in people and their homes.

Ministers shrug at such criticism and say that in any change there are always winners and losers. But this is ultimately the end of council housing as an investment in society. The winners will be the new owners. The winners will be marketing companies. The winners will be more highly paid managers. For tenants the best bet is to stand and fight for the Fourth Option...and to ask the council to stand along side them. Tenants have to be the ones who make the final choice. They should just have a choice to play in a game that isn't rigged from the start.