

17 November 2008

Rt Hon Margaret Beckett MP
Minister for Housing and Planning
Department for Communities and Local Government
Eland House
Bressenden Place
London
SW1E 5DU

Dear Mrs Beckett

Following media speculation as a result of the Chartered Institute for Housing's policy paper, "*Rethinking Housing*", The National Federation of ALMOs (NFA) would like to make clear its position on the possibility of the Government removing security of tenure in social housing. The NFA is completely opposed to the removal of secure tenancies and believes that the implementation of such a policy by the Government would have a significant negative impact on tenants and the communities in which they live.

Sixty nine Arm's Length Management Organisations (ALMOs) now manage more than one million council homes across the country, half of the total. This includes Derby Homes, the three star ALMO which operates in your constituency and of which I am the Chair as well as being the Chair of the NFA. As you will be aware, ALMOs have an unrivalled track record of success through empowering their local residents, meeting 'Decent Homes' standards and providing ground-breaking new community safety and neighbourhood services including significant work to address worklessness.

Already the reporting of the suggestion that withdrawal of secure tenancies is being considered has caused concern and anxiety to many tenants including some of those that are elderly who make up the largest number of tenants.

Our arguments against any such proposal are:

❑ **Security of tenure is essential for the Sustainability of Estate Communities.**

Security of tenure is absolutely essential to the physical and mental health of our tenants. The decent homes programme has been highly successful in giving residents back pride in their homes and communities and encouraging them to be more actively involved in the management of council housing. If tenants feel that they have no long term future on estates and live under the threat of moving on when they become better off then it will be impossible to sustain communities. The cost of managing the higher turnover of tenancies that would result would be prohibitive.

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❑ **The Proposals Contain A Mixed Message and a No Win Situation**

It is being suggested that, on the one hand only those who are actively seeking work should be eligible for a tenancy, whilst on the other hand, those who secure employment and achieve a reasonable income should have their tenancy reviewed to see if they should be moving on to private sector provision.

❑ **The Stigmatisation Of Council Housing As Subsidised Housing**

Whilst many owner-occupiers and private sector tenants receive subsidies through the benefits system and owners may now be receiving help from the taxpayer with their mortgages in the current economic situation, many council tenants do not pay subsidised rents. It is unfair and often inaccurate therefore for council housing to carry the stigma of subsidised housing.

❑ **Council Housing Should Be A Tenure Of Choice Not A Last Resort For A Temporary Period**

The Government and the NFA agree with the Hills Review objective of promoting mixed tenure. To drive people who have become better off from estates completely undermines this. Mixed tenure on estates should be promoted through more flexible allocation systems. Dependency breeds dependency and if young people other than the statutorily homeless cannot enter the sector then estates become unsustainable. There are more progressive ways of generating extra lettings and tackling worklessness than threatening to deprive people of their homes.

❑ **A Carrot not a Stick Approach is Needed**

Linking tenure with entering employment and income level is counter-productive and risks deterring residents from bettering themselves because of the fear they may lose their homes. The benefit system already has that effect and is the root of the problem. We should be boosting the life chances of tenants and developing positive incentives to help them into work which ALMOs are renowned for doing successfully.

Instead of forcing tenants out when they become better off, there should be incentives for those who seek to buy a home to move out of council housing by providing a ladder to help them achieve this by an extension of programmes such as shared equity schemes.

❑ **The Fundamental Problem Is The Lack Of Supply**

Instead of destabilising communities and tenants, the Government should be considering how to accelerate an increase in the supply of affordable, social housing. This should be through:

- Bringing forward spending on new build and making the process less bureaucratic for ALMOs.
- Granting funding to the main local provider of social housing, be it local authority, ALMO or RSL **at the local level** for the purchase of decent quality stock from the

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- private sector according to local requirements. Money should not just go to large RSLs on a national basis or to bail out developers.
- Enabling councils and ALMOs to buy back homes purchased under Right to Buy. Many are for sale but are not being sold leaving empty properties.
- Provide more resources to enable providers to boost relocation programmes for those in inappropriate properties.
- Speed up reform of the HRA subsidy system to enable local authorities and ALMOs to be self financing and have the resources to renovate properties as well as engaging in new build.

As well as increasing the amount of housing available, most of these proposals would also act to stimulate the economy in a sector where this is desperately needed.

Given as stated, the anxiety recent publicity has caused, it would be very helpful and much appreciated if you were able to make a statement to reassure tenants that no-one will be forced out of their home because of their economic situation.

Given the importance of these issues to the more than one million tenants the NFA represents, I should be grateful if we could have a meeting to discuss them with you at the earliest opportunity and certainly ahead of the publication of the Housing Green Paper.

I look forward to hearing from you.

Yours sincerely

Dennis Rees
Chair of the National Federation of ALMOs