

## The Criminalisation of Squatting

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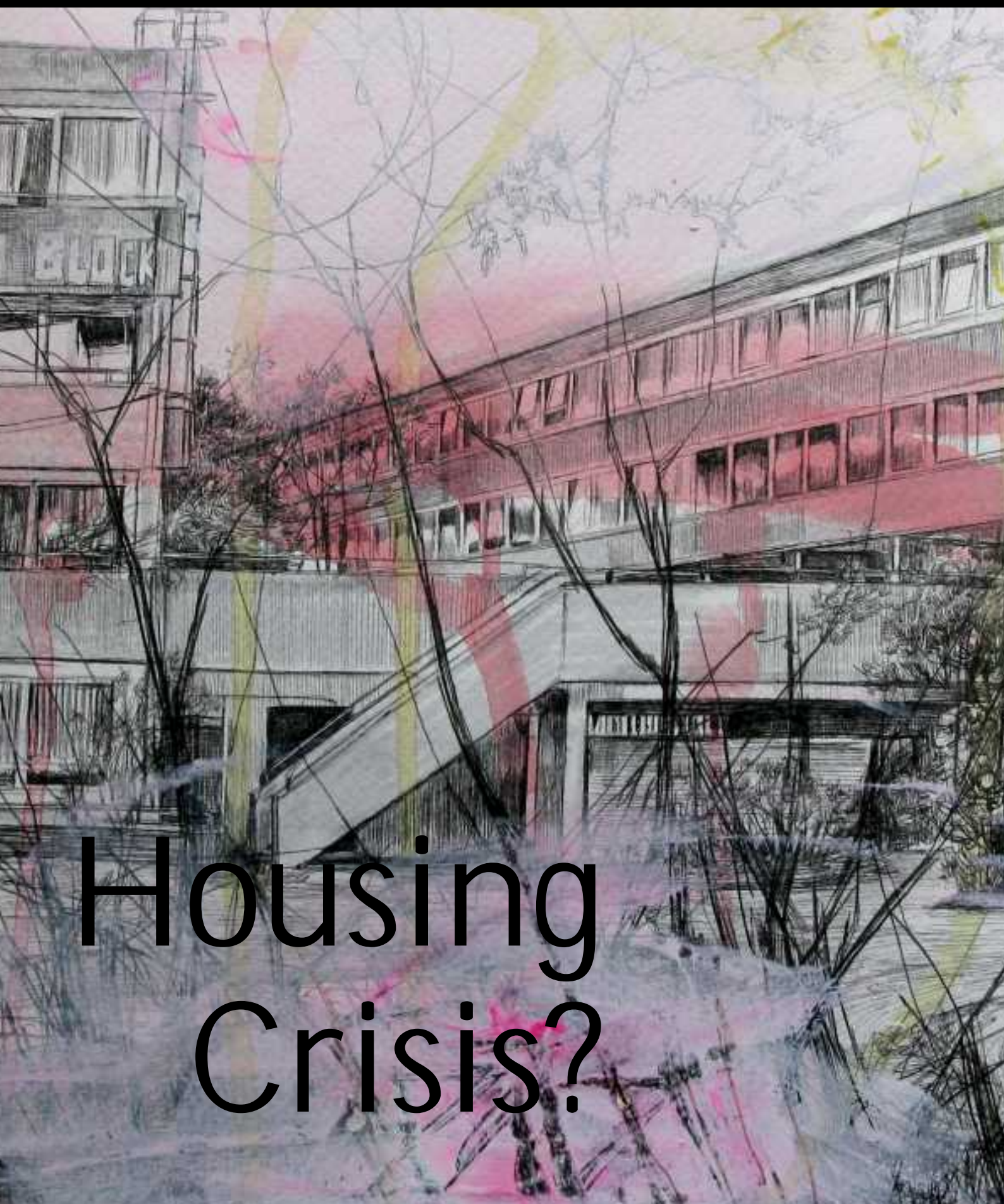
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# Corporate Watch

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## Housing Crisis?



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**Corporate Watch** is an independent, non-profit research and publishing group based in London. It aims to expose how large corporations function, and the detrimental effects they have on society and the environment as an inevitable result of their current legal structure.

Corporate Watch strives for a society that is ecologically sustainable, democratic, equitable and non-exploitative. Progress towards such a society may, in part, be achieved through dismantling the vast economic and political power of corporations, and developing ecologically and socially just alternatives to the present economic system. If you would like to help with research, fund-raising or distribution, please contact us.

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**Illustrations:** Laura Oldfield Ford has kindly provided us with some of her illustrations depicting the often gritty reality of housing in London and other cities and to confront the 'polite veneer of the redevelopment spectacle'. More of her work can be found on her blog 'Savage Messiah': <http://lauraoldfieldford.blogspot.com>.

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# Editorial

This double issue of the Corporate Watch Magazine is about housing: a story of escalating privatisation and corporate gains at the expense of hard won rights for social housing; a story the intricacies of which are largely unknown. The title has a question mark after 'crisis' because, even though it's a crisis for most people, for housing corporations it's a time for profit-making, as this Magazine issue will hopefully show.

Corporate Watch has been recently expanding its work on privatisation, covering the NHS, education and other 'public' services. This Magazine issue on housing is part of this work, as housing is one of the main areas under attack from the ConDem government, but is also an area that can be confusing to anyone wanting to get to grips with it and take action around. Action is key at a time when the coalition government is trying to implement a new version of Thatcher's 'right to buy' and when its housing strategy, announced on 21st November, *Laying the Foundations: A Housing Strategy for England*[1], aims to further benefit corporations at the expense of the right to secure housing. This issue aims to clarify some of the murky institutions that are central to the government's agenda, such as ALMOs, housing associations and think-tanks, as well as companies that have been profiting from the privatisation of social housing since the late 1970s. We hope the issue will contribute to successful resistance to the current attacks on housing, but we realise that more research is needed on the corporations and related institutions.

Stuart Hodkinson, a housing lecturer from Leeds University, has worked with us on this Magazine issue and written the introductory article, *The Neoliberal Project, Privatisation and the Housing Crisis*, on the current housing crisis and its roots in the neoliberal assault on social housing in the 1970s. The article gives a useful background to the current situation and traces the development from social housing to the increasingly corporate-controlled housing sector that we see today. Included within his article are examples of institutions and mechanisms, such as PFI, that give more detail of the complexity of the housing sector today. Beth Lawrence's article, *Housing Associations: Privatisation Via Not-For-Profits*, follows on from this by explaining the role that housing associations play in the transfer of council housing into private hands. Stuart also produced the centre-spread, *The Return of Class War Conservatism: the Realities of Housing in the 'Big Society'*, which depicts developments in the coalition government's housing policies and their implications. One of the most significant areas mentioned are the reforms to housing benefit, which Stuart and the London Coalition Against Poverty (LCAP) explore in more detail in their article titled *Housing Benefit Cuts: Educate, Agitate, Organise!*. They argue that the cuts will re-draw the population map of Britain, with some of the worst patterns of social and spatial segregation Britain has ever known.

In the feature article, *Housing Profiteers and their Facilitators*, members of Corporate Watch explore property developers and groups facilitating the profiteers – law firms, think-tanks, lobbyists and so on. The article also includes some company profiles, including one on Grainger, the UK's largest residential landlord, contributed by Wards Corner Community Coalition. In another article, *Homelessness: Who profits from destitution?*, Tom Anderson explores who profits from temporary hostel accommodation and homelessness in Brighton and Hove. In *Anti-Squat Security Companies: Protection by Occupation?*, a squatter from the Advisory Service for Squatters (ASS) reports on companies profiting from empty buildings, whilst simultaneously 'protecting' those buildings from squatters. This amounts to making squatting, which is probably one of the few autonomous solutions to housing (which at the time of writing is still not a criminal offence), even more difficult and will eventually lead to less collective solutions and more individualised, corporate-controlled 'solutions', whilst making nice profits for the companies. In their article *The Criminalisation of Squatting*, members of Squatters Action for Secure Homes (SQUASH) and ASS outline the current criminalisation of squatting and what this means for the future of housing.

In contrast to most of the other articles in the issue, which talk about the *problems*, Tom Anderson and Beth Lawrence outline some housing alternatives in *Housing Co-ops & Case Study: Phoenix Co-op*. They give some case studies of different models of housing cooperatives, with some allowing more easily for autonomy, whilst others can become co-opted into the privatised housing association model. But it's not all doom and gloom! Throughout the issue, we've included examples of resistance to show the wide range of successes that campaign groups involved in housing activism have had over the years at resisting corporate take-overs of housing, the criminalisation of squatting and so on. Look out for boxes on LCAP, ASS, and Defend Council Housing. *The Campaign Spotlight* of this issue, written by Hannah Schling, focuses on SQUASH, a campaign that has been thriving as the issue was being produced, and emphasises that squatters have played a significant role in the fight for social housing in the past.

Finally, this issue of the Corporate Watch Magazine has been a collaborative work with people from housing action groups, as well as others interested in the topic (see credits). We would like to thank all those who helped and contributed. We haven't been able to cover all aspects of housing but we hope this is a useful overview of some pressing issues of our times.

[1] <http://www.communities.gov.uk/documents/housing/pdf/2033676.pdf>



# The neoliberal project, privatisation and the housing crisis

**Stuart Hodgkinson**, an activist and housing academic at Leeds University, focuses on the housing crisis and argues that the problems we face can be traced back to the neoliberal assault on our housing system that began in the 1970s and continues unabashed today. **Beth Lawrence** illustrates the article with some case studies on Arms Length Management Organisations and campaign group Defend Council Housing.

As capitalism staggers from one crisis to the next, inducing new rounds of bailouts, austerity and privatisation, societies are being dispossessed of public goods built up over generations, generating deepening crises of everyday life.

## The crisis

The housing crisis takes many forms, but three aspects stand out. The first is the rising rate of home loss caused by banks' repossessing as home owners default on their now unpayable mortgages. In 2004, repossessions stood at 8200; by 2009, they had reached 48,000 a year, a 600% increase, and although repossession rates fell back slightly to 36,300 in 2010, a remarkable 12% of all UK mortgages are receiving special support from banks to try to avoid repossession.[1] Lenders are warning of a grim future with one bank chief predicting a "tsunami" of repossessions in the coming years as record low-interest rates disappear, austerity measures and rising unemployment bite further and banks lose patience with their borrowers.[2]

Unaffordable mortgages links to a second major problem across our housing system – the chronic shortages of affordable housing. While average real wage levels have been virtually stagnant for decades, the average price of buying and renting has gone up massively. Between 1995 and 2007, the ratio of house prices to earnings for first-time buyers increased by 250% to 5.4% (3.5 is considered affordable), generating ever larger and riskier mortgage borrowing.[3] Despite a 25% average fall in house prices since 2008 – with the exception of London – first time buyers remain largely locked out of the market (and a move on which family or job may depend) because they cannot raise the large deposits banks are now demanding to access the better interest rates, and because would-be sellers cannot afford to cut their asking prices because of negative equity. Restricted finance and a terrible economic forecast are generating another factor - the low-rate of new house building.

As a result, increasing numbers of would-be owners are remaining in the private rental sector, causing demand to outstrip supply in many parts of the country, not least in London where average rents have risen by 12.2% over the past year, breaking the £1,200 barrier for the first time, while the average tenant salary rose by just 2.4%. [4] New research by Shelter reveals that in 55% of local authorities in England, typical private rents are simply unaffordable for ordinary working families. [5] Against this background, the number officially waiting for a council house or other social rented accommodation has nearly doubled since

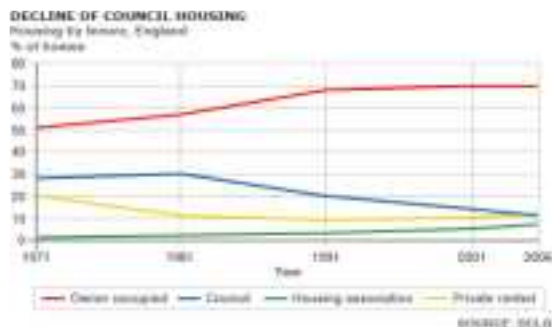
1997 to just under two million households. Rising home loss, unaffordable housing and a shortage of a social housing directly feed into a third housing crisis – the growing scale of homelessness and rough sleeping. Official statistics suggest the problem is small - some 100,000 households are homeless with more than 65,000 living in 'temporary' accommodation. But these figures are extremely suspect and homeless charity Crisis believes the 'hidden homeless' figures could be three or four times that, reflected in the more than three million people officially living in overcrowded housing, [6] including a million children. [7]

## Housing privatisation: the forgotten pillar of the neoliberal project

Turn on the news and there's no shortage of 'expert' commentators offering their take on what is causing this housing crisis but rarely do we hear the wider, historical *neoliberal* journey of privatisation that has taken us to this crisis moment. That journey originated as a post-war ideological project opposed to social democratic collectivism and direct state provision and regulation, and in favour of allowing competitive markets to operate without restriction across society. Ideas once derided as crazy rapidly took hold in the United States and Britain as part of a *strategic* capitalist response the global profitability crisis of the 1970s, aimed at restoring (finance) capital's power *vis-à-vis* labour and opening up valuable public sector services, assets and space to new rounds of accumulation through privatisation and liberalisation policies, rolling-back state intervention (regulations, subsidies, protections, ownership, services) and rolling-out new modes of pro-capitalist regulation and regimes of governance.

The privatisation of housing has played a particularly key role in neoliberalism, wresting the supply of shelter – a basic human need and right – out of the public welfare system and firmly back into the precarious, commodified world of competitive markets, property speculation and self-provision. But expanding home ownership and thus mortgage borrowing was also vital for finding new sources of accumulation for finance capital, which was becoming increasingly dominant over the global economy following the economic shocks of the 1970s.

Public housing emerged for a very important reason – the catastrophic failure of private landlordism and the 'market' in the 19th and early 20th centuries that had produced the infamous urban slums of Britain. Capitalism in general



benefited from state intervention, and many individual private enterprises became rich on the back of public building contracts, but public housing also represented a barrier to capital accumulation in other ways. By the late 1970s, local councils provided decent, affordable homes to 6.6 million households - more than a third of society - while many tenants in the private sector enjoyed the protections of rent controls and long-term tenancies. Public housing and the wider regulatory system were never perfect but they combined to dilute the power of employers to intensify exploitation, dampened property speculation and enabled the working class to live centrally and build local communities. It is rolling back these 'housing fetters' on capital accumulation that neoliberalism has been attending to.

The assault on housing began to take hold during the 1970s, mainly in cuts to public spending and investment, but it was forcefully imposed with the election of Margaret Thatcher's Conservative government in 1979. Thatcher brought a clever, divisive and thoroughly dishonest discourse to the table: public housing was 'subsidised' by the taxpayer and thus should only reserved for the poorest or most 'in need' (tenure of last resort); instead, individual home ownership was the 'natural' tenure that everyone should aspire to, and was catapulted to the top of government policy. It was accompanied by Victorian-era rhetoric of self-reliance and individual entrepreneurship – Thatcher wanted to break class solidarity and attachments to collectivism by widening property ownership and turning everyone into "little capitalists" whose priority now was to increase the value of their assets and pass on inherited wealth to their children.[8] Looking back from 2011, we can now see a succession of privatisation waves since 1979, each representing either the opening of a new front or a creative reaction to resistance or other blockages, encompassing processes that were not solely about selling public housing to private owners, but generating a change of ethos, culture or organisation along private or market lines.

### Privatisation wave#1: austerity and owner occupation

Rolled out during the first half of the 1980s, privatisation wave#1 was dominated by the Conservatives' flagship policy – the Right to Buy – which allowed sitting tenants to buy their council house at huge discounts up to half of market value.[9] Selling of homes was accompanied by the slashing of housing budgets and ever more draconian controls on local authority borrowing and spending. The result was large rent rises, falling house building and, by 1986, an estimated £19bn repair backlog for council homes and £25bn for private sector homes (Hughes and Lowe, pp.217-8). The more the Conservatives cut and financially constrained, the more attractive privatisation became for both tenants and local authorities. The Conservatives also introduced greater powers for private landlords and liberalised mortgage lending for buy-to-let investment to boost the private rental sector and help to develop major property companies, agencies and estate agents.

### Privatisation wave#2: demunicipalisation by any means

It was soon evident that the Right to Buy had natural limits – not least that poorer tenants would never be able to afford or access a mortgage – and although discounts would continue to rise over the decade, reaching 70% of market price,[10] the Conservatives unveiled a second privatisation wave from 1985 onwards that focused on selling council homes *en masse* to alternative landlords in the private and charity sectors. All manner of initiatives were tried and failed, and through resisting, tenants won the statutory right to be balloted on any privatisation proposals and be able to block them if they lacked majority support. By the late 1980s, however, many local authorities began selling off their entire housing stocks to existing and specially formed not-for-profit companies called housing associations in response to the government's financial straitjacket and the realisation that they would financially benefit. Housing associations – or Registered Social Landlords as they are known – were regulated and barred from floating on the stock exchange, but they were also private companies that had greater freedoms to charge market rents, evict tenants and build private housing, and had limited democratic accountability.

**Table: UK council and social housing sold off/demolished 1980-2009[1]**

Policy	Homes
Right to Buy Sales	2.75m
Stock Transfer	1.4m
Demolitions	0.24m
Total	4.39m

[1] Right to Buy figures: UK HOUSING REVIEW 2010/2011, Compendium, Table 20d Right to buy in Great Britain, <http://www.york.ac.uk/res/ukhr/ukhr1011/tables&figures/pdf/10-020a-d.pdf>; Colin Jones and Alan Murie (2006), *The Right to Buy: Analysis and Evaluation of a Housing Policy*, Oxford: Blackwell, p.56, and NI Executive Department for Social Development (2010), *Northern Ireland Housing Statistics 2009-10*, Table 3.16. [www.dsdni.gov.uk](http://www.dsdni.gov.uk); Stock Transfer figures: Hal Pawson and David Mullins (2010) *After Council Housing: Britain's New Social Landlords*, Palgrave Macmillan; demolition figures: Wales - <http://stats.wales.gov.uk/index.htm>; Scotland - <http://scotland.gov.uk/Topics/Statistics/Browse/Housing-Regeneration/HSES/ConDem>; England - <http://www.communities.gov.uk/documents/housing/xls/1991523.xls>

### Privatisation wave#3: corporatisation, marketisation and gentrification

By 1997, after 18 consecutive years of Conservative rule, home ownership had expanded from 57% to 68% among British households[11], around a quarter of public housing had been privatised,[12] public house building had fallen from 75,000 homes a year to just 290 and a £23 billion repair backlog had built up in the remaining council housing sector.[13] Far from rejecting the neoliberal policies of its opponents, Tony Blair's government embraced them, blocking new council house building, introducing a market consumerist approach to social housing, and seeking to transfer 200,000 homes a year to the RSL sector under the cover of bringing all social rented homes up to a (very) minimum 'decent' standard by 2010.[14] For those local authorities (and their tenants) who found stock transfer politically unpalatable, decent homes cash was made conditional on setting up 'arms-length'

companies called ALMOs to take over day-to-day management of council housing, many of which are now being fully privatised as Defend Council Housing warned [see boxes on ALMOs and Defend Council Housing]. Most controversial of all was Labour's decision to experiment with the infamous Private Finance Initiative (PFI) that saw huge sums of public money diverted to corporate banks, developers, and consultants for regenerating and taking over

the running of specific council estates for 30 years [see box on the reality of PFI]. This privatisation of 'place' was symbolised most graphically by Housing Market Renewal Pathfinder unveiled in 2003 – a £2.2 billion scheme ostensibly designed to help local communities across Northern England with acute housing problems that turned out to be a pump-priming exercise for large-scale demolition and gentrification schemes.[15]

## ALMOs

Arms Length Management Organisations (ALMOs)[1] are private companies set up by councils to manage homes, whilst the council still owns the housing stock. They were pushed by Labour in 2000 to enable a more subtle process of privatisation to take place, which was important due to widespread opposition among council tenants to stock transfer. The semi-private status of ALMOs caused splits between tenants, with some getting used to companies running their homes, whilst others opposed any private take-overs. Once tenants had been successfully divided, full privatisation could more easily take place as the potential for collective organisation had been weakened. The so-called 'choice' given to tenants between one of three options – direct stock transfer, PFI (Private Finance Initiative) or ALMOs - was clearly false as all three were essentially privatisation. Defend Council Housing (DCH) (see box on this) has called the introduction of ALMOs 'two-stage privatisation'.[2] Millions of pounds have been wasted on ALMOs, such as on the large salaries of managers, consultants and lawyers. Yet, research conducted by Heriott-Watt University in 2001 found that separating housing management from ownership caused more problems than improvements.

One of the arguments used to quell opposition to the introduction of ALMOs was that tenants would have more power over their housing, because they would be on the board as tenant company directors. However, the processes required for the running of ALMOs ensured that tenants had far less power. ALMOs operate like any other corporation: company law means directors have a primary legal duty to consider the interests of the company. Crucially, tenants are the minority on the board, meaning they are not able to effectively represent the interests of tenants, and, they are gagged by confidentiality. The reality of ALMOs is that democratic control of housing management is lost and tenants' power is undermined by the structure of tenant engagement with ALMOs: restricted tenant representatives arguing on ALMO boards against those with more power rather than collective pressure from tenants' associations. The first councils to set up ALMOs had the support of key tenants representatives, which legitimised them but meant there was no real public debate. Almost nowhere did tenants hear the arguments against accepting an ALMO. Unlike stock transfer, there was not a right to a tenant vote before the ALMO was set up.

The government now wants more ALMOs to be fully privatised. Sixty councils currently have ALMOs.[3] Defend Council Housing argue that there should be a democratic debate on the future of ALMOs and that bringing housing management back in house, rather than privatisation, is the solution. There was a successful anti-ALMO campaign in Camden, London, when tenants won the right to a vote and voted no by 77%. Tenants and trade unionists relaunched Camden Defend Council Housing to argue that ALMOs are two-stage privatisation: there is no good reason to force councils to set up a private company unless privatisation is the end game.[4] Camden council admitted they spent £500,000 promoting the ALMO to tenants. Following the decisive ballot result they concluded that neither stock transfer, PFI or ALMO were options and agreed to join with Camden DCH to campaign for a 'fourth option': direct investment in council housing.

### References:

- [1] ALMOs as a process/structure also exist in other sectors apart from housing and have been used to force covert privatisation, not just two-stage privatisation.  
[2] DCH briefing 'The Case Against ALMOs' 2004, [http://www.defendcouncilhousing.org.uk/dch/dch\\_infopage.cfm?KWord=ALMO](http://www.defendcouncilhousing.org.uk/dch/dch_infopage.cfm?KWord=ALMO)  
[3] <http://www.defendcouncilhousing.org.uk/dch/resources/DCHNewspaperSept2011.pdf>  
[4] <http://www.defendcouncilhousing.org.uk/dch/resources/CamdenNoALMOCampaignReport.pdf>

## Privatisation wave#4: the financial crisis and the neoliberal endgame

The collapse of the housing market amidst the global financial crisis demonstrated how Labour's disastrous continuation of the privatisation project made Britain's housing and economy dangerously vulnerable to market shocks and personal indebtedness. But far from taking the market out of housing, since taking power from Labour in May 2010, the Conservative-Liberal Democrat Coalition Government has moved in exactly the opposite direction, taking the privatisation project to a new, more aggressive and disastrous level.

The Con-Dems overall assault on housing and planning is set out in the centrefold spread of this magazine. Much of the media and political attention has rightly focused on the Coalition's swingeing cuts to Housing Benefit that will see tens of thousands of households displaced from inner London

and other high-cost rental areas because they won't be able to afford to live anywhere near it. But beneath the radar, the Con-Dems have declared war on the social rented sector of council and RSL providers. Soon after coming to power, they cut back ongoing house building rescue schemes, and then announced a devastating 50% cut in the affordable housing budget for 2011-2015 as part of their wider austerity programme to reduce the national deficit. These are not simply 'cuts', however: the government has created a new funding model called 'Affordable Rent' that will effectively force housing associations and councils to charge 80% of local market rents on new homes and a proportion of re-lets, and instead of lifetime tenancies, offer as little as a two-year tenancy. There are also proposals to force high-earning social tenants to pay higher rents or be evicted, and the homeless will no longer have the right to a secure council tenancy and will now be forced into the private rental sector including boats and mobile homes. In other words, in the future there will be little to choose between the social housing sector and the



private rental sector. Part of this privatisation agenda involves a central drive to identify and sell, auction or gift 'surplus public land' for private house building and private development. To top it all, at the recent Tory Party Conference, David Cameron announced his solution to the housing crisis and low growth - to relaunch the 'Right to Buy' policy, increasing discounts and making it easier for tenants to buy their council or housing association home.

## A nightmare future?

The lessons are clear, even for some adherents of capitalism – we need to wean ourselves off private home ownership and the corporate property industry, and create a different kind of housing system that provides decent, appropriate, secure and affordable homes for everyone at the point of need. The present government clearly believes in precisely the opposite

### Housing PFI: Disaster Capitalism in action

Introduced by the Conservative Government in 1992 as a way of taking public spending off the books while opening up public services provision to corporations, PFI became New Labour's flagship public-private-partnership approach during its 12 years in power and its disastrous effects on schools and hospitals have been well documented. Far less is known about PFI's use in regenerating council housing estates, yet between 1998 and 2009, the government promised £4.3bn of investment in 54 social housing PFI schemes across England. Along the way, four were scrapped and in November 2010, the Coalition government cancelled a further 13 schemes under its austerity drive, a cut of over £2bn. Of the remaining 37 schemes, 21 directly involve council housing and have been beset by enormous problems, which we focus on here.

Escalating costs: PFI is well known for being a far more expensive way of financing than public borrowing, but the sheer complexity of using it in housing has generated huge additional costs in hiring lawyers and consultants and contract monitoring – average figures range from between £1million and £2 million per scheme – that are taken from local housing budgets meaning less money for services and improvements. PFI's greater expense is compounded by the problem of escalating costs during contract procurement, most of which will normally fall on the local council, regardless of whether it can afford them. The first seven PFI schemes were on average 88% above initial estimated cost and all requested more PFI credit support from government. A June 2010 National Audit Office report showed the cost of signed-off projects was £694 million more than expected. In order to meet these rising costs, local councils have been forced to cut back on improvements, include more public land in PFI deals and/or transfer money from other services.

### Top Corporate winners from housing PFI

Contractors	Finance	Consultants
United House, Rydon, Hyde Housing	HBOS	PriceWaterhouseCoopers
Regenter, Equion, Pinnacle	Dexia Public Finance Bank	KPMG
Lovell, Powerminster	Nationwide	Trowers & Hamlins
Higgins Construction	Sumitomo Mitsui Banking Corporation (SMBC)	Pinsent Masons

**PFI takes years to setup:** While government expected housing PFI schemes to start within three years of a council bidding for funding, average start times have been between 6 and 7 years. Delays have been caused by numerous legal, policy and technical problems that dogged its early years, and the hugely complex nature of risk transfer and finance that means unexpected changes in inflation, interest rates and markets can force delays while accountants review their implications for projects' viability.

**PFI has meant poor quality work in many schemes:** Despite a clear specification of standards that PFI consortia must meet to receive payments, there have been a large number of reported problems in PFI schemes. In Swarcliffe (Leeds), poor standards of refurbishment hit the newspapers in July 2008 with the story of the Lockwood family whose eight-week refurbishment actually took eight months due to a string of mistakes by Carillion. This was followed in January 2009 when a former electrical inspector turned whistleblower revealed that more than 300 council tenants had made complaints about the work. In Islington, the first of its two housing PFI schemes was signed in 2003 to refurbish 1,000 Victorian street properties, many of which are listed buildings. A survey revealed 87% of tenants complained about damage by contractors.

**PFI undermines tenants' rights:** Government sets out pages of good practice guidance on how tenants should be involved throughout the procurement and management of a PFI contract. However, in contrast to stock transfer, local authorities are not legally required to ballot tenants on whether they want PFI or not. There is also evidence across the housing PFI schemes that tenants have been denied valuable information on grounds of 'commercial confidentiality', or have been forced to sign confidentiality agreements that mean their normal democratic relationship with tenant members has been compromised. In theory, tenants' rights are not changed when a PFI scheme start, but in reality, tenants lose their 'right to manage' – no local authority is going to agree to tenants taking on the management of their estate because of the huge penalty clauses from breaking the PFI contract[1].

#### Reference:

[1] Hodkinson, S (2011) 'The Private Finance Initiative in English Council Housing Regeneration: A Privatisation too Far?', *Housing Studies*, 26:6, 911-932.

solution and is throwing us head first into the slings and arrows of outrageous market fundamentalism. A nightmare future awaits unless we build a genuine cross-tenure housing movement that mobilises at every point of housing precarity – overcrowding, homelessness, unaffordable rents and mortgages, unfit conditions, ruthless private landlords, privatisation, housing and welfare benefit cuts, home owners in mortgage arrears or facing repossession, etc – whilst at the same time creating alternative forms of decommodified housing without undermining what we have already got. It doesn't sound easy and it isn't, but, for once I agree with the neoliberals – there is no alternative.

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- [12] 1.8m council homes sold to tenants, a further 280,000 transferred to RSLs. Precise and agreed figures are difficult to obtain due to the varied types and qualities of data recording by local authorities and central government, as well the onset of devolution since 1997. Right to Buy sales between 1980 and 1997 for the UK appear to be around 1.8m but this number

- includes sales by housing associations in Scotland and unconfirmed data for Northern Ireland (Sources: Sources: Jones and Murie, 2006; DCLG 2010, Live Tables: Social housing sales: Local Authority and Registered Social Landlord stock sold, Scottish Exec (2010), Housing Statistics for Scotland - Sales to sitting tenants, <http://www.scotland.gov.uk/Resource/Doc/1035/0099335.xls>, Welsh Assembly Government (2010) <http://www.dataunitwales.gov.uk/housingdata/>)
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- [14] Department of Environment, Transport and the Regions (DETR), *Quality and Choice: A Decent Home for All. The Housing Green Paper* (London: The Stationary Office, 2000). The force of the assault was felt most strongly in England, home to more than 80% of the UK's remaining public housing as of 2000 (Scotland, Wales and Northern Ireland had various degrees of devolved power over housing, although their budgets were tightly controlled by the UK government).
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## Resistance box: Defend Council Housing

Defend Council Housing was founded in 1998, a decade after the fight against council housing privatisation started when Thatcher's Conservatives first tried to bring in 'stock transfer' in 1988. After a few local campaign victories against the privatisation of council housing, local groups joined forces in July 1998 to create the national DCH campaign, which saw the revitalisation and growth of the tenants' movement.[1]

DCH is a tenant led campaign supported by MPs, councillors, trade unions, community organisations and local campaign groups. DCH uses a variety of tactics and always ensures that it provides various ways people can get involved in every area of its campaign activity. It centrally publishes newspapers and pamphlets, as well as supporting local groups to produce and distribute their own material. DCH works with a wide variety of groups and has won unanimous backing at TUC congress and support from a long list of trade union conferences. The campaign works with TAROE (Tenants & Residents of England), Welsh Tenants Federation, Scottish Tenants Organisation and affiliated national trade unions, which currently include the CWU, FBU, GMB, PCS, RMT, TSSA, UCATT, UNISON and UNITE.

The strength of Defend Council Housing is that it does not just go all-out to stop privatisation, but it puts forward carefully considered, reasonable and workable policy alternatives to privatisation. One of its main policy suggestions is the 'fourth option': direct investment in council housing as opposed to the government's three options (stock transfer, PFI and ALMOs) which all involve some degree of privatisation.

DCH has defeated around 1 in 4 stock transfers, despite the huge imbalance in resources and power. The Birmingham campaign is a good model of tenants and trade unionists building a mass determined campaign, organising meetings all over the city, challenging councillors and consultants and arguing against the council's case.[2] In April 2002, shortly after John Prescott had declared the 'death of council housing', 40,000 Birmingham tenants voted against stock transfer and demolition.[3] Birmingham has the largest number of council homes in the country and, despite the council's £36m propaganda campaign, over two thirds of tenants voted against them. The campaign was such a big success because it was based in the estates and had wide support from trade unions.[4]

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# Housing Associations: Privatisation Via Not-For-Profits

**Beth Lawrence** looks at the role Housing Associations often play in the transfer and privatisation of council housing, with some case studies highlighting the reality of these so-called not-for-profits.

Housing Associations (HAs) are not-for-profit organisations which own, let and manage rental housing and fulfil government requirements to be a Registered Social Landlord. Beyond this general definition, there is wide variation in the way HAs operate. Accommodation owned by HAs is known as 'social housing', which incorporates government owned council housing and other affordable housing, although the definition of affordable has been widely contested and varies between HAs. The Thatcher government changed housing rules to favour HAs over local authorities. Councils were no longer allowed to subsidise their housing from local taxes, which lead to many councils transferring their housing stock to HAs. This meant HAs increased in importance. In England, there are now around 1,500 HAs[1] providing roughly 2.5m homes. HAs in the UK have a combined annual turnover of £10bn.[2]

Legally and practically, HAs, also called Registered Social Landlords (RSLs) or Registered Providers (RPs), are in the private sector. They are increasingly run as private sector organisations, borrowing directly from banks and engaged in land speculation and 100% 'for profit' housing developments, managing stock as an asset to maximise returns.[3] The official status of HAs as 'not for profit', community-based organisations serves to disguise these

facts.[4] HAs are lobbying to become private companies, which is not surprising given the activities of some. Home Group, one of the biggest HAs, with homes in nearly 150 local authority areas, is currently selling off nearly 5,000 tenants' homes as part of a restructure.[5] Defend Council Housing (DCH) has campaigned against housing transfer, such as that carried out by Sunderland Housing Group, which demolished a large amount of good quality council built housing in order to create a housing 'market'.[6] Sunderland tenants voted to transfer housing stock to the Sunderland Housing Group (SHG), now known as Gentoo, in 2001. It was the biggest transfer of homes in Britain – 36,000 homes were sold off for less than £7,000 each.

## Transfer Means Privatisation

Transfer means privatisation in law and in practice. DCH has produced a briefing about stock transfer.[4] They argue that the transfer of council housing to an HA means: the loss of secure tenancies, higher rents and charges, less democratic control of the housing service, increased homelessness, large pay rises for senior managers, big profits for the banks and more risk for tenants. Risk is increased, because the security of tenure of council housing is replaced by the new HA, which may get into financial trouble or may expand into a huge business empire with little regard for the needs of tenants who make up a tiny proportion of its stock. This business model means smaller HAs tend to become part of larger groups of HAs, with more pay for senior managers of course. Between 2002-2007, almost 500 HAs were involved in restructuring activity, such as

mergers,[4] partly to be able to more effectively lobby the government. By 2007, the largest 20 housing association groups owned 29% of total association stock, with associations involved in stock transfer particularly active in this restructuring.[7] Only 32% of transfers since 1988 were set up as and still remain independent, stand-alone organisations.[7] The everyday reality of this is unpleasant, because when housing is transferred to another

HA, the new HA is not

legally bound by any of the promises made to tenants by the previous HA, which means any concessions won by tenants immediately become redundant.

According to the National Audit Office, privatisation costs £1,300 more per home to make improvements after transfer than it would cost if councils were given the money to do the work themselves. HAs are legally allowed to charge market rents, whereas council secure tenancies guarantee a legal right to reasonable rent, which means HA rents are higher (they were 12% higher in 2007 based on Housing Corporation figures).[4] Tenants of local councils elect their landlord and can vote them out, but this direct democratic relationship is lost with HAs; the role of tenants on the board of an HA is purely symbolic as they have no real power and are not even allowed to

### HA 'democracy' at work

"A council is considering legal action against a stock transfer association, amid concerns that promises to tenants have been broken. East London's Tower Hamlets Council handed over the management of four estates on the Isle of Dogs to housing association Toynbee Island Homes in December 2005. The tenants on the estates, which comprise 2,100 homes, were promised they would be heavily involved in the running of their homes. One Housing Group became the parent organisation of Toynbee Island Homes last year and in April this year sacked the housing association's entire board – mainly made up of residents – and appointed an interim board."

From Inside Housing magazine [9]



represent other tenants as they are bound by company law, which is the same for ALMOs (Arms Length Management Organisations). If this wasn't enough, research has found that homelessness is exacerbated by transfer, because access to social housing becomes even more restricted.[8]

Councils claim that transfer is 'not privatisation', because HAS cannot legally distribute profits to shareholders or investors, even though banks and consultants make huge profits out of stock transfer. However, this is changing as a result of HAS lobbying to become private companies. The Housing and Regeneration Act 2008 allowed profit-making companies to register as social landlords for the first time. The bill as originally drawn would have allowed existing social landlords to turn themselves into profit-making companies, but was amended after protests.[4] It's clear that the main aim of HAS and similar organisations, like ALMOs, is to benefit from increased land values and to achieve that they have to be able to get rid of their tenants, which means ending the security of tenure that council tenants have enjoyed for many years.

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# Housing Profiteers and their Facilitators

Corporate Watch takes a look at some of the main companies profiting from the housing crisis, as well as the lobbyists, think tanks and law firms that facilitate this profit-making.

feature & company profiles

## Property Companies: Crisis? What crisis?

"It is an unfortunate fact of life that many individuals and companies are facing the all too real threat of repossession on their properties at this time," Nick Hopkinson, director of PPR Estates, said in 2010. Indeed it is, but it seems to be working out for some. Hopkinson's company, which specialises in buying up properties from those no longer able to afford to keep them, has already gained 200 properties in this way and aims to become one of the UK's leading residential landlords. And that's the problem; the more assets you have, the easier it is to wait for the good times to come back, and the larger and more influential the surviving companies become.

“*The government's proposal to reform the planning system was based on a draft prepared by a four-strong panel, three of whom had direct involvement in building development*”

Not that the good times went away for long for the big property companies, 2011 saw them getting over the effects of the credit crunch with strong profits and their public relations teams have been working furiously to make sure the good times continue. Their lobbying has been directed as much at the media as it has been the government. Planning minister Greg Clark said, in a leaked email to other property developers, that he was "delighted" at the lobbying efforts of housing companies and warned that they could not afford to "let up".[1] The property developers were also reported to have privately admitted that the minister's objectives have "align[ed] with ours" and said they had "earned more brownie points than we could ever imagine" by helping him.

Some property companies have gone even further and are drafting the policies themselves. The government's proposal to reform the planning system was based on a draft prepared by a four-strong panel, three of whom had direct involvement in building development, including Peter Andrew, director of land and planning at house builder Taylor Wimpey. They were all appointed by Greg Clark, the planning minister, to prepare the draft, key parts of which have been repeated in the government's bill, including the line: "At the heart of the planning system is a presumption in favour of sustainable development, which should be seen as a golden thread running through both plan making and decision taking." This means that much previously-preserved green-belt land will be made

available to build on and the "presumption" to say yes will make this much harder to stop. As Kevin Singleton, Head of Strategic Planning at Herefordshire County Council previously told Corporate Watch, for all the talk of giving power to local communities, it only applies "if a community wants to choose more 'growth', not less."

When this is questioned the government's usual response is the need to build more homes. Announcing the government will sell off enough public land to build 83,500 homes, housing minister Grant Shapps said the only way to solve the housing "crisis" is by "building more homes".[2] In

which case he needs to tell his friends in the housing companies; according to the charity PlaceShapers, a recent report estimates the major developers already own enough land to

build 620,000 homes and have planning permission to build on more than 50%, yet they allow it to remain vacant to keep prices for the homes they have already built high.

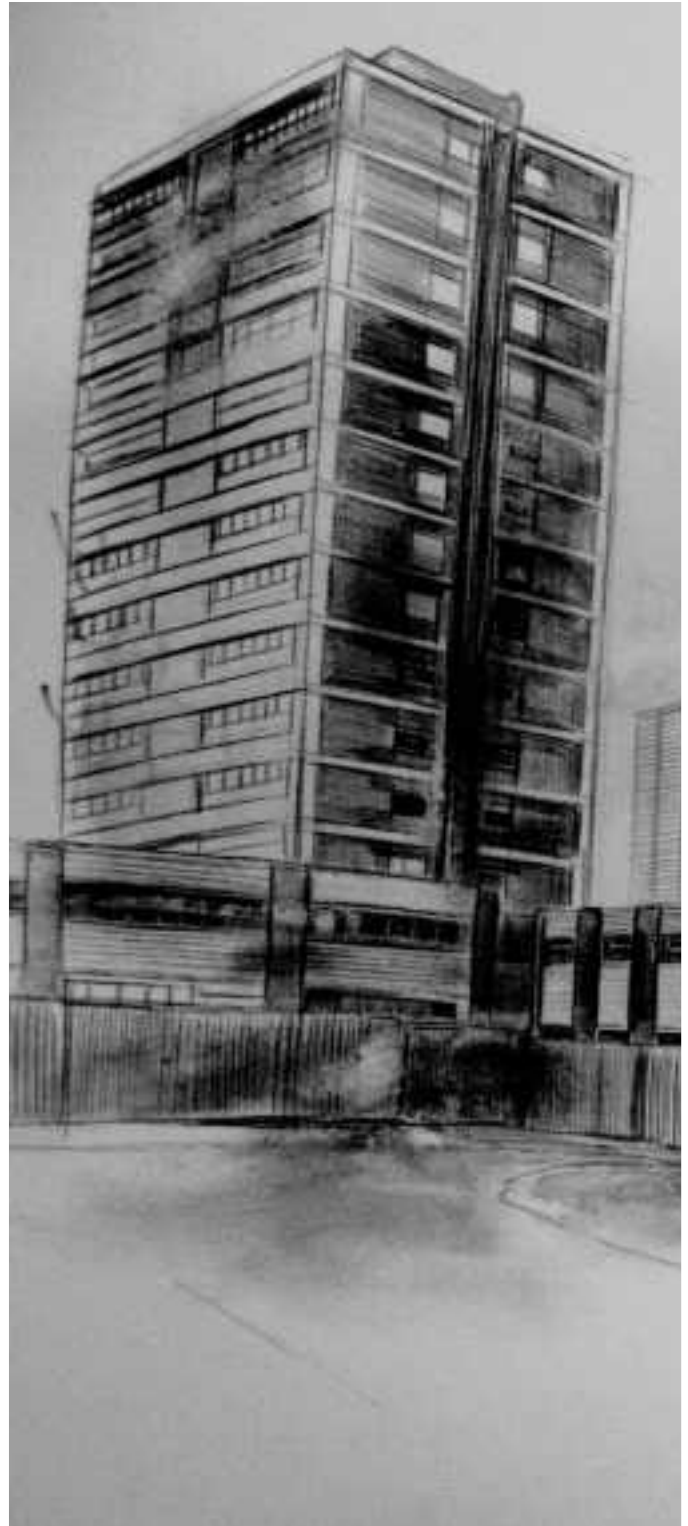
And the houses the companies are building are not intended to be homes the majority of people can afford. The recent upsurge in their profits has been from 'prime' properties. Mark Clare, CEO of Barratt, said that while in the good times they were building a variety of homes, "what we have gone back to now is sites that sell well in a tough market",[3] which explains how Barratt has actually managed to increase the average selling price of its properties by 9% over the last year, despite the market being flat. The company is already preparing three projects on newly accessible greenbelt land, with Taylor Wimpey planning two of its own. So will these be the so-called affordable homes the reformed planning system promises? Not quite. Barratt describes the 300 houses it plans to build in farmland near Middlesbrough as "executive" homes, suggesting the people who will benefit from the housing crisis will be the same people who benefited from the financial one.

## References:

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## Big Players: Bellway

Bellway Plc has built over 100,000 homes since its creation in 1946. With revenues in the 12 month period to July 31, 2011, of £886m, it is one of the UK's largest house builders. Initially operating in Newcastle-upon-Tyne, where the company's head office is still based, the company capitalised on the huge increase in demand for private housing following World War II. Bellway now has offices across the UK and employs around 1,400 people. Bellway is active in various areas within the house building sector, including land acquisition, finance, planning, architecture, design, marketing, and customer services. The company provides various house types, but specialises in 'affordable' homes with a range of financing schemes aimed at first time home buyers. Although affected by the Northern Rock crisis in 2007, it has recently fared better. In October 2011, announcing a more than 50% rise in profits to a full-year pre-tax profit of £67.2m. The results are due to higher than expected selling prices in the South East, particularly London, with 61% of total revenues now coming from the South of England.



## Lobbyists: The British Property Federation

The British Property Federation (BPF) promotes the interests of companies involved in property ownership and investment. It is a membership organisation, incorporated in 1963 as a limited company. Roughly a third of its members are property companies, and roughly another third are professional firms, such as agents, lawyers and accountants. The remainder is made up of fund managers, investment bankers, housing associations, and other companies with property assets or other interests in property, such as insurers.[1] BPF acts to improve the image of the industry and at the same time help create a beneficial legislative and regulatory environment by lobbying government and influencing policy decisions.[2] The BPF have recently come out strongly in support of proposed reforms to planning regulations, which will transfer decision making power to local authorities. They argue that by easing restrictions on property development, this will provide additional jobs and economic stimulus, as well as more profits for their members.



### References:

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 [2] [http://whoslobbying.com/uk/british\\_property\\_federation](http://whoslobbying.com/uk/british_property_federation)

**Table: Housing Companies Profits**

Housebuilders	2010-11	2009-10	Estate Agents	
			Knight Frank	£102m
Persimmon	£154m	£78m	Foxtons	£35m
Taylor Wimpey	£67m	£51m		
Bellway	£67m	£44m	<b>Developers</b>	
Barratt	£40m	-£33m	Land Securities	£1.2bn
Redrow	£25m	£0.7m	British Land	£830m
Bovis	£19m	£8m	Hammerson	£620m

## Landlord: Grainger

Grainger Plc is the UK's largest residential landlord. It owns or manages more than 40,000 homes in the UK and is hoovering up smaller companies wherever it can, most recently acquiring PHA Limited[1] and its 162 residential properties in Devon and, in March 2011, Genesis Housing Group's 50% stake in their, previously joint, venture Grainger Geninvest.[2] This left Grainger with complete ownership of a huge portfolio of 1,500 residential housing units in Walworth, Vauxhall and Waterloo, just the latest acquisition for a company determined to keep getting bigger.

In fact, much of Grainger's success has been built on buying up other property companies. Established in 1912 in Newcastle, it grew steadily to be listed on the London stock exchange in 1983. After buying the 700 London flats of Channel Hotels and Properties in 1989, it really hit the big time with the acquisition of Bradford Property Trust in 2001, when it became the biggest quoted residential landlord in the UK.

As well as actually owning the properties, it manages and controls them through its GraingerLets[3] and GraingerSells[4] subsidiaries, as well as providing estate and asset management through Grainger Property Services.[5] And, ever alert to opportunity, Grainger is directly profiting from the financial hardship of others too. In April 2011 it signed a deal with Lloyd's to deal with its Residential Asset Management Portfolio, a "vehicle to restore the value of its troubled housing assets."

Grainger even plans to get into social housing, taking

advantage of the changing definition of so-called affordable rent, allowing landlords to charge up to 80% of the market rate. Grainger is already in a joint venture with housing association Genesis to take over the ownership and management of 1,100 Church of England homes and it is planning to build 7,000 homes over the next ten years, of which 30 to 40% will be 'affordable'. Some or all of these could be managed by a new housing association arm or handed to existing social landlords. Nick Jopling, the executive director of Grainger, said, ominously: "Over the coming months and years, we might find that these changes have led to a sea change, where the world of social housing and the world of the private rented sector come together." [6]

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The logo for Grainger, consisting of the word "grainger" in a lowercase, blue, sans-serif font.

### Resistance box: Resistance to Grainger

Save Our Skyline[1] are resisting the demolition of many prominent heritage buildings and the building of 300 private flats in Hammersmith, which includes space for a supermarket but no affordable housing. Resisting an almost identical proposal in Seven Sisters, Tottenham, the Wards Corner Community Coalition (WCC) has managed to stop Grainger's plans, for now at least.[2] Permission for Grainger's scheme was originally granted in 2008, but the WCC took Haringey Council to the High Court of appeal and in June 2010 got the permission overturned on equalities grounds, setting a precedent in the process. In August 2011, Grainger's plans were heard again by the council's Planning Committee and were refused permission in a narrow 5-4 victory. The WCC has always worked towards a community-led restoration of the site that would keep rents affordable and give space for the unique character of the Wards Corner site to grow. Despite constant resistance from the council, the WCC is close to submitting the first community plan for a part of the site and, in preparation for the Localism Bill, is starting work on a Neighbourhood Plan that covers a wider area. The community's commitment to grassroots community planning and consensus from local people has proved that big developers aren't the only ones that can engage in planning.

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## Law Firm: Trowers & Hamlins LLP

Trowers & Hamlins LLP is an international law firm with offices throughout the UK and Middle East, over 100 partners and approximately 700 employees. The firm's main office is in the City of London with three UK regional offices in Birmingham,



Exeter and Manchester. Trowers & Hamlins has a well-established 'brand' as top legal experts in the UK social housing sector, a reputation garnered through their central

role in facilitating privatisation, principally through the stock transfer process. The firm works with more than 200 local authorities and 250 social landlords, and as their website boasts, has "acted on about half of all completed housing PFIs"[1] and "been involved in the creation of the very first ALMOs[2], and the majority of new ALMOs since then".[3] Trowers & Hamlins broke new legal ground when they acted for AVIVA Investments in the unprecedented transfer of 839 properties from Home Group to Derwent Living, a registered social landlord. For the first time in the UK the £45m worth of finance was provided by a pension fund. Under the scheme, AVIVA bought the stock and now lease it to Derwent Living over 50 years, and will receive a return linked to the retail price index. Indicative of the ever-increasing involvement of the private sector in the social housing market, this also highlights the increasingly complicated ways in which we are tied into the market. With a pension company essentially owning social housing, the worth and profitability of ordinary people's pensions become staked on the continued rise in inflation in order to maintain increasing rent prices and a good return for the pension company. Trowers & Hamlins has an annual turnover of between £80m and £90m, and makes most of its money in the UK from property deals and litigation.[4]

### References:

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[2] ALMOs are Arms Length Management Organisations, see box on ALMOs on p.6

[2] <http://www.trowers.com/services/housingregeneration/almos>

[3] <http://www.thelawyer.com/directory/t/Trowers-and-Hamlins>

## Think Tanks: Policy Exchange and Localis

During the 1970s, Conservative free market 'think tanks' like the Institute for Economic Affairs (IEA) and the Centre for



Policy Studies (CPS) prepared the ideological ground for Thatcherism's privatisation programme. Today's Conservatives running the Coalition government are also dependent on think

tanks, and two in particular stand out for helping to generate the key principles and policy ideas now shaping the government's housing privatisation agenda. **Localis**, officially Localis Research Ltd, focuses on developing, promoting and legitimising Tory thinking on 'localism', reducing the role and powers of central government in local government affairs. Localis is closely associated with **Policy Exchange**, a like-minded organisation whose mission is to modernise the Conservative Party and apply free market approaches to solving 'social problems'. To this end, both: organise events and write headline-grabbing reports, often together; staff key

political offices, such as Number 10, Ministerial aides and the Mayor of London; and "provide a link between local government and the key figures in business, academia, the third sector, parliament and the media".[1]

Born around the same time in 2002, they could be considered Tory surrogate twins, the brainchildren of supporters of Michael Portillo who quit frontline politics after his failed leadership bid in 2001 to become a media-savvy moderniser. Within a decade, the pair has gained huge influence over the Conservative Party's machinery and received major financial backing from wealthy business people. London Mayor Boris Johnson's current policy advisor, Anthony Browne, is a Localis board member and previously served as director of Policy Exchange. Colin Barrow, a multi-millionaire hedge fund manager and co-founder of the Conservative City Circle, a group that links the Conservative Party with the City of London, co-founded Localis and is a former trustee of Policy Exchange. Nick Boles MP, who was Policy Exchange's first director and went on to become head of David Cameron's Implementation Unit responsible for drawing up plans for government, is a current board member of Localis.[2] Just to complete the historical connections, Policy Exchange trustee, Rachael Whetstone, currently Google Vice President for Global Communications & Public Affairs but previously a special advisor to the Conservatives, is not only married to David Cameron's special advisor, former PR man, Steve Hilton (the one who recently proposed abolishing workers' rights), she just happens to come from the free market family of Antony Fisher (grandfather), who founded the IEA in 1955, and Linda Whetstone (mother) who has worked for many neoliberal think tanks at national and international levels for decades.[3]

Using their growing influence over the Conservative leadership, together, Localis and Policy Exchange have written a number of reports on housing policy whose ideas are now featuring in current government legislation, including abolition of secure tenancies and



near-market rents for new social housing tenants, liberalisation of the planning system and a new era of privatisation. The most controversial yet influential being Localis' 2009 report *Principles for Social Housing Reform*, co-written by Conservative Leader of Hammersmith and Fulham Council, Stephen Greenhalgh. This argued that secure and affordable social housing should only be for the "young and at risk, elderly, severely disabled, mentally and physically ill, as well as those suffering from drug and alcohol dependency problems", and that local authorities and RSLs should be allowed to set rents at market levels and offer short-term tenancies as a substitute for government subsidy, which would be removed. As a key proponent of 'localism', Greenhalgh is a highly controversial figure, not least because as Leader of Hammersmith and Fulham Council, he is trying to prevent his own constituents, living on the West Kensington and Gibbs Green council estate, from exercising powers under the government's localism agenda to take over the management and ownership of their estates. This is because he wants to demolish their homes and sell off the land as part of the re-development of Earls Court[4].

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# Homelessness: Who profits from destitution?

*Government statistics are notorious for underplaying the number of rough sleepers in the UK. However, there are at least 3,975 rough sleepers in London, a figure that has risen by 8% in the last year. Numbers of destitute people are likely to increase in the wake of the cuts to benefit entitlement and the criminalisation of squatting. **Tom Anderson** spotlights some of the organisations in receipt of government funding to support the homeless.*

Providing support to homeless people has long been an area left to the charitable sector. A diverse array of charities and housing associations\* have provided varying degrees of support to homeless people over the years. However, services for homeless people in the UK are becoming more and more commodified and the entities vying for funding increasingly behave like private companies.

Although a comparatively small pot of money is allocated to the support of homeless people the state does not have the same legal responsibility as for, for example, people with learning disabilities. Homelessness is not included in the government's list of the factors defining a 'vulnerable adult' and local authorities do not have a legally defined duty of care for the homeless. The comparatively small pot of government money, amounting to approximately £400m, that is reserved for homeless provision is split between an ever smaller number of increasingly large service providers who now hold a near monopoly on what is beginning to resemble a 'homelessness market'.

Local government commissioning policy has squeezed out smaller charities in favour of a few large housing associations. Larger housing associations, which operate UK-wide, are able to develop strong relationships with both central and local government and, as a result, are more likely to be awarded local government contracts than small charities. The small pool of council funding for homeless services is periodically opened to bidding and each bidding process results in more funding for larger organisations. This process effectively renders the support of vulnerable people a commodity to bid for.

So how can organisations make money out of destitution? Charities and housing associations are not-for-profit entities. However, the salaries of their chief-executives increase, sometimes to hundreds of thousands of pounds a year, as the organisation expands. The expansion of such organisations is subsidised by state funding and by the housing benefit paid on behalf of the people who they provide a service for.

## Case Studies

St Patrick's is a charity-run men's hostel and night-shelter providing accommodation to 43 people in Brighton and Hove. The former church was converted into a hostel in 1985. Since then it has been the only place in Brighton and Hove where homeless men are able to turn up, without a referral, and get a bed the same night, there are no similar services for women.

St Patrick's hostel has been in a long running conflict with Brighton and Hove Council, because the night shelter provides beds to people without a 'local connection'. Brighton and Hove Council, like most other councils across the UK, has adopted a 'local connection policy', barring people who cannot prove a connection to Brighton and Hove from services. 'Local connection' status is assessed on the basis of several criteria including; how long a person has lived in the area, whether they have had close family living in the area for more than five years, whether they require specialist health treatment or have a local job. People who have been discharged from a local hospital or released from a local prison do not necessarily qualify. St Patrick's has refused to implement the local connection policy and has provided night-shelter services to anyone who needs them. The council's response has been to accuse St Patrick's of increasing the city's homeless population by inviting an influx of homeless people seeking accommodation. On this basis, the council has refused funding to the St Patrick's night shelter, because of concerns over Brighton and Hove being "flooded" by homeless people.

St Patrick's has now been taken over by Riverside Housing association. Riverside is one of the UK's largest supported housing providers with assets worth almost £17m and an annual turnover of £250m. When Riverside began its take over of St Patrick's, it initiated a review of the night-shelter service. During the review process Riverside employees said that the night-shelter would have to prove it was viable, in other words that it could pay for itself, and that it could generate "excess". It was clear, also, that keeping the night-shelter open would risk conflict with the council. At the end of the review process Riverside announced it would close the night shelter, but keep the hostel open.

St Patrick's night-shelter is now set for closure on January 31st 2012. At the meeting where staff were informed of the news, Riverside management said that the closure was partially due to the council's local connection policy and the "viability" of the night shelter. They said the shelter had no "potential for development". Riverside said that the council would "not be offering alternative accommodation" to residents of the night shelter and that the nearest remaining night-shelter would be in Crawley, 22 miles away.

For Riverside, closing the night-shelter was a logical decision, not because it is in the best interest of the people using its services, but because keeping the council sweet means that they are more likely to gain lucrative contracts in

future commissioning processes. More contracts and, thus, more expansion means more money for their chief-executives.

For homeless people in Brighton and Hove the decision is disastrous as it will mean the closure of the only service available to homeless men unable to navigate council bureaucracy. It will mean more people remain on the street and will put lives at risk.

St Patrick's provides a unique and essential service for homeless men in Brighton and Hove. The takeover by Riverside has, undoubtedly, made the service worse rather than better.

Services like St Patrick's night-shelter are sorely needed. A recent report by the homeless advocacy charity CRISIS has shown that homelessness is on the increase nationally since the financial crisis and warns that cuts to housing benefit will put many people at increased risk of homelessness. Workers at St Patrick's say that more people than ever are applying for spaces at the night-shelter.

Another example of the commercialisation of council homeless services can be seen in the practices of Brighton and Hove's Rough Sleepers Team (RST), the body which refers homeless people to support services in the city. The RST was created in 2001 by the, tellingly named, Crime Reduction Initiative (CRI), through funding from the council.

The CRI is a large UK-wide charity with an annual income of almost £60m, approximately £40m of which is expended on staff costs.

RST bids for contracts from the council on the basis of its success in 'combating homelessness'. One of the requirements of its funding is to carry out head-counts of rough sleepers in the city. However, the continuing success of its commissioning bids relies on these figures going down rather than up. One way to ensure that this is the case is to massage the figures.

One way in which numbers are kept low is by narrowing the definition of a rough sleeper. When workers have done head-counts in previous years they have not included people who were standing up when surveyed and have stipulated that in order to be counted as rough sleepers people must have a sleeping bag or bedding with them. These stipulations were altered in 2010. However, at an inter-service meeting earlier this year workers for RST admitted that RST deliberately referred people to emergency temporary accommodation at the time of the head-count, in order to keep down rough sleeper figures. They confirmed that these people were only

being housed for the duration of the head-count for the sole-purpose of keeping the figures down, and, often, were people who RST would never ordinarily refer for such accommodation.

All of this serves to keep the rough sleeper figures down, creates the impression that the RST are doing a good job and thus increases CRI's potential for success in bidding for contracts. However, it does not serve the needs of the rough sleepers themselves. As a result of the fact that the official figures show that there are less rough sleepers than there really are the council is able to keep funding for homeless services artificially low.

## The not-for-profit industrial complex

Charities and housing associations involved in providing services to the homeless are not-for-profit organisations. However, this does not prevent the individuals in control of these organisations from acting against the best interests of the people they claim to work for. The average pay for chief-executives of housing associations currently stands at over £150, 000 per annum with Deborah Shackleton, Riverside's chief-executive, being paid £232,000 in 2010 (compared to £129, 000 in 2003). Executive salaries increase as the organisations expand. Rating the organisation's viability and ability to acquire more and more contracts as a higher priority than the needs of homeless people makes good business sense.

\* Housing associations are not for profit bodies that provide comparatively low-cost housing for people in housing need. Any trading surplus acquired from rents must be used to maintain existing homes and to help finance new ones. However, housing associations are becoming more commercialised because as the organisations expand the salaries of their chief executives rise.

## Sources and Resources

This article is partially based on interviews with several workers for homelessness service providers in Brighton and Hove.

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A statistical breakdown of the current situation for homeless people in England has been published by CRISIS: <http://society.guardian.co.uk/salariesurvey/table/0,,1034758,00.html>.  
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You can read about the definition of 'local connections' in more detail on Shelter's website: [http://england.shelter.org.uk/get\\_advice/homelessness/help\\_from\\_the\\_council/what\\_the\\_council\\_will\\_check/local\\_connection](http://england.shelter.org.uk/get_advice/homelessness/help_from_the_council/what_the_council_will_check/local_connection)

## Resistance box: London Coalition Against Poverty & Hackney Housing Group

There is strength in numbers. The London Coalition Against Poverty (LCAP) works on this basic principle whenever they go to the housing office, because what can the housing office do when a group of ten people arrives all demanding to be rehoused? They can threaten to call the police, but really, they have a duty to house, which they can't duck out of when challenged in this way. That's precisely why the Hackney Housing Group, a part of LCAP, went to the housing office one morning when a building, housing around thirty men, women and children and run by a negligent landlord, was deemed unsuitable to live in and given a Prohibition Order by the council. These tactics work. Like other groups in LCAP, the Hackney Housing Group is a self help and voluntary group. In other words, its members act to support each other in their housing crises and learn from each other collectively at meetings, trainings, and demonstrations. Members go with each other to the housing office in pairs or in larger groups to demand better living conditions in leaking and cockroach infested hostels; challenge a housing decision because it's been three months not six weeks; or demand temporary accommodation because it was denied before an assessment was even carried out, to name just a few examples. In the case of the derelict building, all persons from that building have been given temporary accommodation or secure housing if they are single. The Hackney Housing Group works to pressure the council to do its job as it ought to do. And with further housing cuts and lack of affordable housing, the group believe that councils should expect more groups like them, demanding their rights to shelter. Now, more than ever, HHG believes we must organise to find our strength in numbers together to defeat the current attacks on social housing. Reference: <http://www.lcap.org.uk>

# The Return of Class War Conservatism: the

On 21 November 2011 the ConDems finally unveiled their so-called 'Housing Strategy for England' with the fingerprints of free market think tanks all over it. According to the Coalition, the housing crisis is really the crisis facing aspiring home owners and those who want to move to where new jobs are being created, which is in turn blamed on the state's stranglehold on house building from the "central planning, top-down targets and bureaucratic structures" of the previous Labour government. The solution is thus simple – liberate the housing market from these obstacles and Adam Smith's famous invisible hand of competition will work its magic. But of course we've seen and heard it all before and we know only too well what freeing the market really means: a new round of public bailouts for the big corporate banks and builders, pushing more people into a lifetime of debt just for the illusion of home ownership and a new wave of housing privatisation. Such measures will only worsen the real housing crisis – the expansion of insecure, unaffordable housing, overcrowding, and rogue landlordism – but that is precisely the outcome desired by the blue half of the Coalition as they seek to shore

## Liberating the Market...

### The attack on the planning system

The government's plan for ending the disastrous house price volatility and speculative bubbles of the boom-boost years is a dual approach of eye-watering austerity and removing the fetters on development. In other words, alongside mass unemployment and public service cuts, the ConDems want to dismantle the current planning system so that planned development is replaced by **developer-led development**.

The existing statutory planning system is being replaced with a streamlined **National Planning Policy Framework (NPPF)**. Gone are targets for regional house building and brownfield redevelopment or the requirement that local authorities exact affordable housing contributions from developments over a certain size. Affordable housing is redefined as anything 'below' market rents and prices, which makes it meaningless.

The opposition of local authorities and communities to residential development is to be bought off through the **New Homes Bonus**, launched in August 2010, that match funds the Council Tax on every new home built or empty home re-used for 6 years. Local communities, meanwhile, may lose important planning powers to stop unwanted development, such as preventing the loss of **Village Greens**.

### Deregulation

Liberalising planning is joined by a wider war on regulations known as the **Red Tape Challenge**. We have already seen the requirements for the Zero Carbon Homes watered down and the removal of many standards for homes built on surplus public sector land. Despite the government's strong rhetoric on bringing England's 700,000 empty homes into use, the government is watering down local councils' powers to get **empty homes** back into use by extending the vacancy time threshold that Empty Dwelling Management Orders can be used from 6 to 24 months and making the process more onerous.

### More taxpayer bail outs for corporate banks and builders

The taxpayer is helping to finance demand for new build homes through the £400m **FirstBuy** scheme providing a 20% equity loan to first-time buyers, and the **New Build Indemnity Scheme (NBIS)** that offers 95% mortgages backed by a taxpayer-guaranteed indemnity fund for mortgage lenders. Developers will also be allowed to challenge Section 106 agreements over contributions to local infrastructure and housing needs agreed in better market conditions and tap into a new £400m Get Britain Building Investment Fund aimed at getting 16,000 homes built on stalled sites.

## ...cutting the housing

### Housing benefit reforms

Private tenants will be hardest hit as their benefit levels will now only cover the bottom 30% of the local housing market instead of the bottom 50% as before, and they will face absolute benefit caps regardless of their actual rent. Large families and single people aged between 25 and 35 have been targeted for additional housing benefit cuts. The reforms are expected to create the **mass displacement** of households in London and other high-cost rental areas.

### Privatising social housing

Funding for new social housing has been cut by over 50% and redirected to supporting new social homes with 80% of market rents and flexible tenancies – the so-called **Affordable Rent model**. Local councils and Housing Associations can also apply to convert a proportion of their existing and future voids and re-lets to Affordable Rent properties, continually eating into the existing stock of social rented homes. Social housing will also be further privatised with plans to increase **Right to Buy discounts** to 50% of market values, and the government will recycle some of the monies raised into the Affordable Rent programme to replace every secure, low-rent social home sold with a new insecure, 80% market rent property.

# Realities of Housing in the 'Big Society'

up private property and attack the housing protections and rights won over many centuries of struggle by cutting funding for social rented housing and rolling out a new system that mirrors private renting so as to discipline the working class into working harder, faster, longer for less pay. This class warfare only furthers the contradictions in the housing market and explains why the government is so keen to boost the private rental sector by beefing up private property rights, weakening tenants' (and squatters) rights and unlocking huge swathes of public land for low-risk development. Regardless of tenure, renting housing will be more expensive than ever before, less regulated and more precarious for all tenants. Such a strategy works hand in glove with welfare reform that will gradually expel 100,000s of low income households out of their neighbourhoods into cheaper, lower quality housing in areas where employment is impossible to come by, paving the way for a new wave of gentrification that will further enrich property owners. This is the return of what Ralph Miliband called 'Class War Conservatism' and it is what the ConDems Housing Strategy is really all about.

## safety net...

### Ending security of tenure for new tenants

New social housing tenants will no longer have the legal right to a secure tenancy and could instead now receive a minimum 2two year contract. There are proposals to force high-earning social tenants to pay higher rents or be evicted, and from 2013, working age social tenants deemed to be 'under occupying' their homes will also have their housing benefit reduced. This is likely to affect 670,000 tenants by an average loss of £13 per week, forcing many to downsize and move into the private rental sector because of a shortage of suitable social homes that match their state-determined needs.

### Punishing the excluded

The **homeless** no longer have the right to a secure social home for life and local authorities will now be able to force them into a 12-month contract in the private rental sector. Squatting, which is largely done by homeless people, is to be largely criminalised. **Gypsy and Traveller communities** will no longer be able to gain retrospective planning permission, further marginalising and disempowering them. £30m has also been cut from the budget for providing sites for Gypsy and Traveller communities. The Coalition plans to dock the benefits and evict tenants found guilty of anti-social behaviour, including the summer riots. Access to legal aid for housing issues will be cut back.

## ...don't be fooled by the Big Society!

### Community this, community that

Much of the ConDem's housing assault is being brought in by the Localism Act 2011, the legislative arm of Cameron's Big Society idea that promises to decentralise power to local communities. At first glance, new laws such as the 'community right to buy' assets of community value, the 'community right to reclaim land' and the 'community right to challenge' the provision of local services look appealing. Who's not to like the sound of 'community-led planning' or the 'community right to build' new homes subject to the support of a majority of local people through a community referendum.

### It's just privatisation and centralisation

But read the small print and you'll see that the Big Society is code for dismantling the welfare state, privatising public services and removing regulatory protections on business. Local groups, charities and volunteers will have to compete with big business to run services and venues, or buy buildings the local authority can no longer afford to keep open but which local people depend on, like community centres, nurseries, schools, and traditional markets. The idea of 'Open Public Services' paves the way for big business to take over profitable services and activities, and for public companies that run council housing to be fully privatised. In reality, very few publicly run services and owned assets could be run by local people - government will ensure that the cream goes to the fatcats. And localism is not really localisation as the Act confers 145 new powers on the Secretary of State.







# Housing Benefit Cuts: Educate, Agitate, Organise!

*From 1 January 2012, a million tenants renting in the private sector reliant on welfare support will be hit by the Coalition's cuts to Housing Benefit, placing many at risk of eviction, displacement and even homelessness. **Stuart Hodkinson** sets out the policy changes, while a member of Hackney Housing Group reports on why London will be the eviction capital of Britain.*

The right to a decent, secure, affordable home in Britain was enshrined in the 1945 settlement as a necessary response to the destruction of two world wars, the breakdown of the private rental market and the rise of social unrest. Post-war housing policy directed public subsidy at local authorities to build millions of council homes that became the affordable housing pillar of the welfare state, and by the late 1970s, the tenants' movement had also won vital controls on private rents, secure tenancies and protections for the homeless.

The advent of Thatcherism of course reversed this entire approach [see pages 3-9], and the current housing benefit (HB) system – created in 1988 through the 1986 Social Security Act – played a central role in the privatisation agenda. By re-directing public subsidy towards low-income 'housing consumers', rents in both social and private sectors were allowed to rise sharply, meaning that the state would now subsidise private landlords' profit margins instead of directly providing affordable public housing as a tenure of choice.

Over time, the decline in social rented housing, the huge rise in the cost of private market housing, and the stagnation of real wages have forced more and more people on to HB in order to access and afford a roof over their heads – in 1981, around 1.5m households claimed compared to today's figure of nearly 5m. While 70% of claimants are currently in social rented housing, recent and future growth will come from private renters due to rising rents and falling incomes, with government figures suggesting 600,000 working households in the private sector don't claim their entitlement.[1]

Concern at these trends and evidence that private landlords were milking the system by inflating rents to LHA levels persuaded the previous Labour government to reform the HB system for tenants in the deregulated private sector with the introduction in 2008 of Local Housing Allowance (LHA). LHA no longer paid HB based on tenants' actual rents but instead in relation to broad local private rental market values for properties ranging from shared to five-bed accommodation with a ceiling set at the 50th percentile of private rents restricting claimants to properties in the bottom half of the market. The situation was even worse for single 16-24 year olds who only received a shared room rate, usually around half the one-bed rate, hugely restricting their choice of accommodation and placing many in severe hardship.[2]

Prior to the May 2010 General Election, the Labour government had planned a number of reforms to LHA, including capping rates at £1,100 per week and ending tenants' entitlement to keep up to £15

per week of any excess benefit over their contractual rent. The Conservatives, by contrast, had promised to reform 'welfare' but had said almost nothing about HB with future Prime Minister David Cameron assuring the country that he would "protect the poorest and most vulnerable in our society" from austerity.[3] Just two months later, however, the Coalition's June 2010 emergency budget revealed the Tories secret plans, announcing dramatic cuts and changes to HB, with more paraded in the October Comprehensive Spending review, totalling an estimated £3bn by 2015[4] (see Figures 1 and 2 - [5]).

## Figure 1: The Housing Benefit Cuts

### Private Tenants on Local Housing Allowance

1. Tenants will no longer be able to keep up to £15 excess, an average weekly loss of £11 income for around 440,000 low-income households
2. LHA rates will now be set at the 30th and not 50th percentile of local rents leaving households even less choice of landlord or area than before
3. Maximum LHA rates will also be capped for each property size (see Figure 2) further constraining the available private rental market in pricey areas like London
4. The 5-bed LHA rate is being abolished meaning families currently renting a 5-bed or larger home will now only receive the 4-bed rate, a huge reduction in benefit that will inevitably force large families into overcrowded housing conditions
5. Single people aged 25-34 years old will be downgraded from the 1-bed to the shared-bed rate, hitting around 62,500 people by an average of £41 per week
6. From April 2012, disabled claimants who have a non-resident carer will be entitled to an extra bed-rate benefiting around 10,000 disabled people
7. From April 2013, LHA rates will no longer be calculated by monthly market rents but will rise annually in line with the Consumer Price Index (CPI)
8. From April 2013, working age tenants in council or Housing Association housing who are deemed to be living in homes too large for their needs will have their HB cut per surplus bedroom – this is likely to hit some 670,000 households by an average of £13 per week, with 70,000 losing more than £20 per week

For new claimants from 1 April 2011, changes 1-5 have already been implemented; for existing claimants prior to 1 April 2011, the £15 cut will usually be made on the anniversary of their claim, while the rest (2-5) will come in 9 months later, from 1 January 2012

## Social Renters on Housing Benefit

1. From April 2013, working age tenants in council or Housing Association housing who are deemed to be living in homes too large for their needs will have their HB cut per surplus bedroom – this is likely to hit some 670,000 households by an average of £13 per week, with 70,000 losing more than £20 per week
2. Tenants in social housing claiming HB should lose 10% of their weekly benefit after 12 months of claiming Jobseeker's Allowance – this was dropped in February 2011.

## All HB claimants with non-dependants living with them

1. Claimants in either the social or private rental sector who have non-dependants, typically their adult children, living with them, will see increased benefit deductions of around 27% a year for the next three years every April.

## Figure 2: National weekly LHA caps

£250 a week for a shared/ one bedroom property  
£290 a week for a two bedroom property  
£340 a week for a three bedroom property  
£400 a week for a four bedroom property

The government's justification for these reforms shifts according to its intended audience, ranging from the need to reduce the 'deficit', bear down on private sector rents, restore 'fairness' to the benefits system in favour of 'hard working families', or force unemployed claimants to either get a job or find somewhere else to live.

Whatever story Ministers tell cannot hide the grim reality of what they are doing - these are devastating cuts affecting at least 1.7m tenants over the next few years, including all claimants in the private sector and around 1 in 5 households in the social rented sector. Official figures suggest that during 2012 the majority of private tenants will face a shortfall of up to £10 per week against their current rents.[6] a lot of money

for people officially living in poverty to consistently find in the context of mass unemployment and austerity.

But whereas these claimants at least have a chance of absorbing the losses or negotiating a lower rent, around 100,000 households will lose over £30 a week with many in London losing £100s and some over £1,000.[7] The cuts will inevitably mean increased cases of arrears, homelessness and greater overcrowding with people being forced to move home or even borough in search of cheaper lower quality accommodation. As the article by Hackney Housing Group makes clear, London will by far and away be worst hit with the likelihood of 'mass displacement' from the inner to outer boroughs.

The implications of home loss, homelessness and forced relocation are serious and carry enormous potential social and economic consequences that have been downplayed by the government. Apart from the obvious increased costs and administrative burden placed on local authorities, social services and other public services, the impact on households and communities could be devastating. We are talking here about the breaking up of families and social networks, the disruption to a child's education or school, the possible breakdown in care and support received from social and children's services. The long-term sick are one of the largest groups affected and cuts to HB to disabled people have their own particular effects in that many properties will have been specially adapted for their needs or there will be a support package in place to help them stay.

The bad news is this is just the short-term picture – from April 2013, two fundamental changes will kick in that threaten to redraw the population map of Britain. First, benefits to out-of-work households will be capped at £500 for couples and lone parents and £350 for singles, with HB the first to be cut once the cap is breached. Around 50,000 households will be affected by an average loss of £93 a week, with 15% losing more than £150 a week.[8] Second, LHA rates will no longer be increased in line with actual market rents in a local area,





but by the Consumer Price Index (CPI), which since 1991 has risen consistently less than rental costs. While both changes will have the most adverse affect on households living in London and the South East where housing costs are the highest, over time, the entire country will also be affected so that by 2030, 60% of local authorities in England will be very unaffordable to LHA claimants.[9]

Overall and over time, HB cuts will create some of the worst patterns of social and spatial segregation Britain has ever known. Low income and poor households will find that the only housing they can afford to rent is that which falls below “basic common standards of decent housing”. [10] This is the future – if we don't act now, the long-term consequences will be hideous.

## Hackney Housing Group, part of the London Coalition Against Poverty, on the situation in London

Council housing and HB have over time become essential for enabling low-income groups to afford to live in central London, where average rents have now broken through the £1,000 per month barrier and show no sign of slowing.[1] A major cause of London's predicament is its unique housing market, where house prices and private rents are far higher than anywhere else and the private rental sector is much bigger. The cuts to Local Housing Allowance (LHA) for private tenants will thus hit London citizens the hardest and fastest. Average weekly losses will be at least £22 in the capital, compared to between £9 and £12 in other regions; [2] almost a quarter of London claimants will lose £20 per week or more; and over 20,000 households (12% of claimants) will have weekly losses of more than £30 [3] – there is nothing remotely like this anywhere else in the UK.

Certain areas of central London will quickly become inaccessible to HB recipients, especially for larger households, meaning that decent housing will be even further out of reach for low income Londoners. Official estimates suggest that the proportion of lettings available to LHA claimants in central London boroughs will fall from 52% to just 7%, and overall, as many as 82,000 households could be made homeless in 2011-12 alone. [4] This is why many London boroughs have been pre-booking bed and breakfast accommodation in other regions as emergency housing.

Many households will soon be unable to find accommodation available to them below the new lower LHA rate for the area because only a minority of private rented sector landlords are willing to let to HB recipients, with most requiring to see bank statements or pay slips for proof of stable income, impossible for the unemployed, casualised and informalised work force. Such is the high demand for housing in London that landlords can pick and choose the tenants they want, increasing the marginalisation of the precarious. Over time, even more private landlords will be able to charge what they like for a room in a derelict building to tenants grateful to find any place in London to live. People who are already on benefits and renting in sub-standard housing will be worried about moving house in case they can't find a landlord who will accept benefits. Unless challenged, the cuts will squeeze the poor out of the city and create an even higher degree of class and spatial segregation in London.

Cuts to social and affordable housing will not only adversely affect those on HB, but affect a

wider scope of individuals and families in need of housing. More people will be forced onto the streets as homeless *and* more low-income families will move to the outskirts and beyond London, and we'll see additional 'gatekeeping' tactics at housing offices and job centres designed to refuse or pre-empt homeless applications. [5] This is where the need for strength in numbers, to resist changes to HB, the loss of affordable housing and other current housing issues, becomes vital (see box on LCAP on p.21). It's time to educate, agitate and organise!

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# Anti-Squat Security Companies: Protection by Occupation?

A member of the **Advisory Service for Squatters (ASS)** takes a look at how anti-squat companies are thriving off the increasingly precarious housing situation.

'Anti-squat' or 'protection by occupation' groups are security companies. They offer CCTV, Sitex, security patrols and alarms to property owners, but their most effective security option has proved to be live-in guardians. Camelot, established in the Netherlands in 1993 and the UK in 2001, is probably the best known anti-squat company, but almost all security companies now have a 'live-in guardian' option for their clients. Such groups rely on the landlord-class prejudice that squatters only damage the properties they occupy, using the term 'squatters' interchangeably with 'vandalism' and 'arson'. Their guardians have no tenancy rights and are (unwaged) security guards for the company. The method has been described as "controlled living" by Camelot director John Mills. The emergence of anti-squats represents a dangerous erosion of tenants' rights and a further step toward the complete institutionalisation of bad housing. Worryingly, the role of protection by occupation companies throughout Europe as 'affordable housing providers' has grown in recent years, particularly with the increasing criminalisation of squatting, which took effect in the Netherlands on the 1st of October 2010. At that time a rough estimate was that 0.01% of the country's population (approximately 50,000 people) were employed as live-in guardians.

The business model of an anti-squat is extremely profitable; Camelot has expanded greatly in the last ten years, other companies have sprung up in the wake of their success and all security companies have realised the market potential of guardians. The anti-squat company acts as the middle man (or 'managing agent') and as such receives payment from both the landlords and guardians in exchange for doing spectacularly little. Their 'use/loan' agreements ensure that guardians are granted a 'licence' (as opposed to a tenancy) in exchange for a 'licence fee' (as opposed to rent). Buildings occupied by property guardians need only be wind and rain proof, saving the company and owner money on the repairs that those with tenants rights would be entitled to. Both the anti-squat company and the owner reserve the right to enter the property at any time and without giving notice, partly to create a panopticon-like sense of total surveillance and partly to pander to the arrogance of professional ownership.[1]

'Administration fees' will be charged for late payment, but are sometimes applied seemingly arbitrarily and the initial 'fee' also includes a deposit which many guardians never see again. Licensees can be evicted with little or no notice as there are clauses in licence agreements that mean contracts can be terminated for no reason whatsoever; anti-squat companies are under no obligation to rehouse those they have evicted, though in some cases they might consider it if the guardian "has

continually complied with the rules".[2] It is this reality that allows councils to abdicate housing stock that they have signed over to vacant property protection companies. In most anti-squat contracts, guardians are not permitted more than two guests at a time; often demanding to be informed if a guardian has a guest staying overnight. Parties are strictly forbidden and no-one under the age of 18 is allowed inside Camelot properties at all. Guardians are not permitted to work on the properties in any way, meaning the buildings often carry on rotting even with people inside them. As they are primarily security guards, most anti-squat caretakers are not allowed to spend more than two nights away from the property without first getting written permission, which can of course be withheld. For breaches of contract, a fine can be issued or the contract terminated, sometimes with immediate effect. In some cases property protection companies have been known to contact guardians' employers. For breaches of contract in communal areas (where they don't know 'who dunnit') they sometimes issue a joint fine to all the guardians at a property, further encouraging the occupants to police each other as well as themselves. Anti-squat companies will often appoint one occupant of each property to be 'head guardian'; like a prefect or local colonial leader, these 'chosen ones' will inform on those they live with in exchange for systemic 'perks' (like rehousing!).

In spite of the invasive and controlling rules imposed by these companies, waiting lists are long, testament to the extreme difficulty most people have finding decent housing that they can afford. The anti-squat PR campaign is of 'affordable living' for 'key workers' in expensive cities like London. All anti-squat companies conduct a thorough vetting process of anyone applying to be a guardian. Camelot "only select those who can provide evidence of their identity, reliability of character...employment records, proof of financial status and any details of bankruptcy or criminal convictions"[3]. Indeed, Camelot stipulates that guardians must have no criminal record[4]. Gallowglass Security, which runs a 'caretaker' service as well as a 'Bailiff Support' service, proudly declares on its website that guardians are "controlled by a 24 hour management team...have no tenancy rights and can vacate your property at 48 hours notice"[5].

This year a one-time member of the Advisory Service for Squatters[6], a voluntary collective giving free legal advice to homeless and vulnerably housed people, decided to use the knowledge and experience she had gained from working with the group to set up her own anti-squat company. Katherine Hibbert claimed one of her motivations in founding Dotdotdot Property[7] was to provide a

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cheap housing option 'for everyone'. Squatting, she pointed out, can be stressful, time consuming and therefore not always a viable option. Given that her business venture conducts the same guardian 'vetting' process as Gallowglass, Camelot etc (including immigration checks), being a Dotdotdot guardian seems no more an option 'for everyone' than squatting. Again, contracts can be terminated with as little as fourteen days notice (the latter point she conceded "kind of sucks"). The 'edge' that supposedly makes Dotdotdot stand out in the profit-hungry anti-squat market is its emphasis on 'voluntary' workers. Dotdotdot aims to prioritise those on their waiting list doing the most voluntary work for 'the community', meaning in practice those who can do internships while their families pay their rent, thus imposing a further barrier to housing for those who will be unable to submit extensive proof of voluntary work. Dotdotdot, the supposedly 'ethical alternative' to Camelot's corporate callousness, is in reality no different to other vacant property protection companies. Their PR acts as the 'greenwash' of the anti-squat industry, obscuring an otherwise blatant attack on housing and tenancy rights.

In September 2011, John Mills stated that "Camelot are a security company, but local authorities are coming to see us as a housing provider". As councils are often more inclined to pay for security contracts than to house homeless people, and with the government and press conducting another of their periodical, misinformed anti-squatter campaigns, protection by occupation companies are already doing well. This is a very different process from the squatter 'amnesties', short life council leases and housing co-ops that emerged from the squatter and housing activist movements of the 1970s. This current form of 'temporary living', in what is often substandard housing, is expensive for occupants and totally geared toward the banks, mortgage companies and developers who are the main clients of anti-squat companies. Whatever dubious 'security' gained is all theirs, not ours.

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**Resistance box: Advisory Service For Squatters** is an unpaid collective of workers who have been running a daily advice service for squatters and homeless people since 1975. It grew out of the former Family Squatters Advisory Service, which was founded in the late 1960s. ASS publishes The Squatters' Handbook, the thirteenth edition of which is the current one, and has sold in excess of 150,000 copies since 1976. As we are short of volunteers and money, we are rarely able to help students, journalists etc., who so often seem to want us to do their article/project for them. This website has been set up to try to provide all the necessary information without taking up our volunteers' scarce time. In the resources section you can find articles, documents and various information about squatting including history and 'squat zines'. There is also a gallery with photographs stretching back over 30 years. ASS is open Monday-Friday 2-6pm.

**Contact Details: 020 3216 0099, [advice@squatter.org.uk](mailto:advice@squatter.org.uk), [www.squatter.org.uk](http://www.squatter.org.uk), Angel Alley, 84b Whitechapel High Street, London E1 7QX.**



## New Corporate Watch blog: *Banking on Crisis*

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# The Criminalisation of Squatting

In light of the imminent changes to squatting law that have been fast-tracked by the government during October and November 2011, **Lucy Finchett-Maddock** from the SQUASH campaign (Squatters' Action for Secure Homes) and a squatter from the ASS (Advisory Service for Squatters) look at how the changes to the law will affect the future of squatting and the right to housing.

Squatting is not currently a criminal offence in the UK. However, on 13 July 2011 the Ministry of Justice produced a consultation paper entitled 'Options for Dealing with Squatting' with the 'consultation' itself running until 5 October, the shortest possible time. It was aimed at 'victims' of squatters in residential premises, and was accompanied by screeches from the right wing press about 'plagues' and 'invasions' of squatters. Over 2,200 people responded to the consultation, 95% of whom were not in favour of criminalising

1994. Clause 26 was voted in with a majority of 283 to 13. Paragraph 4 of Clause 26 means that even if someone is a victim of fraud (i.e. they were given a tenancy by someone who had no right to grant it) they could still face eviction and arrest under the new law. The new offence of squatting in residential premises carries a £5,000 fine and/or 51 weeks in prison on conviction. The Bill is currently going through the House of Lords. The new squat ban will make life harder for homeless people as much as it will make business easier for anti-squat companies.

## Table:

### The government tabled a number of proposals to criminalise squatting:

- Option 1** – Create a new offence of squatting in buildings;
- Option 2** – Amend Section 7 of the Criminal Law Act 1977 to extend the offence to other types of premises;
- Option 3** – Repeal or amend the offence in Section 6 of the Criminal Law Act 1977;
- Option 4** – Leave the criminal law unchanged but work with the enforcement authorities to improve enforcement of existing offences;
- Option 5** – Do nothing: continue with existing sanctions and enforcement activity.[3]

squatting. Seven of the respondents were. The Magistrates' Association, NUS, University and College Union, Criminal Bar Association, Law Society, High Court Enforcement Officers, ASS, SQUASH, all the major homeless charities and even the police were against any further attempts at criminalisation.

The consultation process was clearly devised in the interests of property owners and their allies, rather than those in need of housing. The first paragraph reads: *"The Government has become increasingly concerned about the distress and misery that squatters can cause. Law-abiding property owners or occupiers who work hard for a living can spend thousands of pounds evicting squatters from their properties."*[1] The reality of squatting, homelessness and multiple exclusion[2] was ignored by the consultation.

Clause 26 of the Legal Aid, Sentencing and Punishment of Offenders Bill, sneaked through Parliament at six days notice, makes a criminal offence of squatting in residential premises. The majority of empty property is residential. Commercial or otherwise non residential premises would supposedly not be affected by the law change, but instances of police misconduct become more frequent when homelessness is treated as a public order or criminal issue, as has been seen in the wake of the law changes brought in by the Criminal Justice and Public Order Act

## Current Laws and Proposed Changes

Section 12 of the Criminal Law Act 1977, as amended by the Criminal Justice and Public Order Act 1994, lays out the distinction that underlies a trespasser and a squatter. As long as there are no clear signs of the owner of the property living in a building, then Section 6 of the Criminal Law Act 1977 can be used, acting as the legal document

through which squatters' rights are upheld. Eviction can only legally take place after a 'Possession Order' has been made by the owner, to remove the unwanted residents from the

property. The squatters then have the right to remain until this Order has been agreed by the local or High Court. Thus, eviction can only take place after it has been agreed civilly within the courts.

Options 1, 2 and 3 have the greatest impact on squatting. Option 1 entails the creation of the crime of 'intentional trespass', whereby there is no reliance on the sanctity of court before a squatter can be forcibly removed. With regards to Option 2, Section 7 of the Criminal Law Act 1977 currently states that it is an offence for a person who is on a residential premises as a trespasser to refuse to leave when required to do so by a 'displaced residential occupier' (DRO) or a 'protected

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*“ even the police were against any further attempts at criminalisation ”*

intending occupier' (PIO) of the property.[4] Option 2 would extend this so that it applies to squatters who refuse to leave other types of property, such as commercial buildings: *"Commercial property owners would therefore have a similar level of protection to displaced residential occupiers and protected intending occupiers."*[5] This shows the intention to protect commercial buildings as well as residential ones. Option 3 deals directly with squatters' rights and Section 6 of the Criminal Law Act 1977, which makes it an offence for a person, without lawful authority, to use or threaten violence to enter a property where someone inside is opposed to their entry. Currently only DROs or PIOs can legally remove someone from a residential building, however, the wish is to extend this to other categories of property owners. Option 3 threatens the safety and security of the homeless, and would grant further police powers.



## Why Now and for Whom?

The Tory party have been well-documented over the years as wishing to remove squatters' rights, and given the coalition government, they are now attempting once again to push this through. During the widespread occupations of university buildings as part of the student protests in late 2010 and early 2011, squatting rights were an issue of contention for the authorities. Despite the legal right to remain, some universities used private law to remove demonstrating students. Given the fact that any removal of squatters' rights would contravene a range of rights (those that affect the right to housing, as well as the right to protest), means the proposed criminalisation will have wide implications. We are seeing a planned political drive to criminalise squatting.[6]

In the past, there has been widespread and successful resistance to previous attempts to criminalise squatting (see the SQUASH Campaign Spotlight) and there is now a growing anti-criminalisation campaign.[7] This is partly why there has been a barrage of negative media coverage of squatters in recent months. The stories being chosen are very unusual cases of squatters refusing to leave properties they occupied while someone was on holiday, rather than the most common situations whereby squatters occupy otherwise unused buildings and improve them by doing repairs etc. The government agenda is to generate a general misconception of squatting.

Given the express interest in granting the same rights to commercial property owners, as DROs and PIOs, it is clear that the move to change the law protects political and corporate interests: the interests of property speculators and landlords at the expense of tenants' rights and homeless people who, in the midst of a housing crisis, have little option but to squat.[8]

## The Real Story

The proposed changes to the law vehemently represent issues that go far beyond the reach of squatting. They are also about the criminalisation of protest occupations, as well as the extension of powers to the police. The changes would empower unscrupulous landlords and property speculators, and burden the justice system and be heavy on the public purse.[9] The real story of squatting is one of a housing resource for the hidden population of homeless people in the UK, which is entirely distorted by the media. A report conducted recently by homeless organisation Crisis demonstrated how participants with a long history of homelessness use temporary housing in the form of squatting much more than that provided by local authorities or support agencies.[10] If squatting rights are taken away, the right to housing would be trumped by the commercial interests and effects of gentrification.

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- [3] Ministry of Justice, (2011), "Options for Dealing with Squatters", Consultation Paper CP12/2011, <http://www.justice.gov.uk/downloads/consultations/options-dealing-with-squatting.pdf>.
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- [5] Ibid.
- [6] SQUASH Representative, 2011.
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# Alternatives: Housing co-ops

*As the state cuts housing benefits, criminalises squatting, makes social housing more insecure and excludes homeless people from its duty of care; private developers, construction companies and estate agents are profiting from the lack of options available to the majority of people looking for a roof over their heads. There is more need now than ever for viable alternatives; one option is setting up a housing co-op. Tom Anderson and Beth Lawrence outline different types of co-op and look at some case studies.*

*“Cooperatively owned housing is a resource rather than a commodity. By setting up housing cooperatives we are empowering ourselves to take control over one of the most fundamental aspects of our lives”*

Radical Routes[1]

## Cornerstone Housing Co-operative

Location: Leeds

Number of people housed: 16

Established: 1993. Purchased through a mortgage combined with loanstock.[4]

Government funding: No

Rent: one third of income

Type of accommodation: Single rooms in shared houses. Set up as a base for eco-activists and has an activist resource centre in the basement. Cornerstone also houses Footprint, an independent worker's cooperative.

Quotes from members: “it's hard work having the responsibility of managing a property and also maintaining a collective”

A housing co-operative is a “group of people who collectively own and manage their own housing”, essentially a housing association managed by its tenants. Co-op members own their home, set their rents and manage building maintenance and disputes. Co-ops allow people who would otherwise be at the mercy of private landlords, to regain some control over their lives and make their living environment a resource rather than a commodity.

This often means people can afford to buy a property, whereas by themselves or in a smaller family unit they would be unable to do so. However, it is not an alternative way for would-be first-time buyers to get a foot on the property ladder, as the fully mutual co-op model means none of the individuals owns the property, rather the co-op as an entity does. Fully-mutual cooperatives are housing co-ops where members are effectively both landlord and tenant, all tenants are co-op members, and all members are tenants or prospective tenants. Fully mutual co-ops provide autonomy and security of tenure, which is becoming a scarce resource at the moment due to the housing crisis.

Co-ops are an alternative to the private sector, not to the public sector. Housing cooperatives should not be posited as an alternative to forms of social housing that local councils have a duty to provide.

However, in some areas co-op schemes have been offered as a sweetener to placate campaigners angry at proposed sell-offs of council stock. For example, in Brighton and Hove in 2007, the 'Community Gateway' model of cooperative housing, a housing model put forward by the Confederation of Cooperative Housing,[2] has been presented by local councils as an alternative to council housing.

However, co-ops are well placed to provide an alternative to an increasingly bureaucratized private sector. Private tenants are asked for more and more documentation and sureties in the form of deposits, guarantors, references, proof of income or to show that they have a good credit rating. These processes present an, often impassable, obstacle, to low-waged people. Co-operatives often do not require prospective members to jump through these hoops.

Housing cooperatives are set up for different reasons, to fulfil different needs and encompass many different ways of living. Cooperative living is often communal, but can also cater for self-contained accommodation and independent family units. Some co-ops are intentional communities with a clearly defined vision of how to operate collectively. Co-ops can be communities of

## Dryad Housing Co-operative

Location: Brighton

Number of people housed: 20 adults and 6 children in self contained houses.

Established: late 1990s. Dryad was originally a council funded self-build project for young men. However, the houses fell empty and were squatted. The council agreed to rent the properties to the squatters through a housing association.

Government funding: The original project was funded

Rent: An affordable rent for the area

Type of accommodation: Families and single people. Sustainable community with a community orchard, water butts, compost bins etc.

Quotes from members: “Dryad is a fantastic place to live, you get the flavour of being in the country but near town and with a commitment to sustainability. There have been conflicts that have gone on over the years but things seem to get sorted out. Although we rent from the council we are still very much autonomous. We are a close community and organise community events together”



esistance, whose members are committed to action for social change, or simply places for people to live free of exploitation by private landlords. Co-ops often enable people to live in a more environmentally sustainable way, because tenants share household goods and less energy is required to heat

## The Drive Housing Co-operative

Location: Walthamstow, north-east London

Number of people housed: 10

Established: 2010, property purchase completed in July 2011. Purchased through a mortgage combined with loanstock.

Government funding: None

Rent: average £445 per month, depending on size of room

Type of accommodation: Ten-bedroom shared house with extensive communal spaces (e.g. library, conservatory, meeting/workshop space, guest bedroom) and an urban garden.

Quotes from member: "Living in a housing co-op is amazing, but it does require a lot of work - and setting up a new co-op even more so. Meetings are seen as a necessary evil, but building real consensus does take time. Also, especially in London, there's a danger that people go off and do their own stuff and don't see that much of one another, so it's important to spend time with fellow co-op members outside of meetings too." "Often housing co-ops are started up by a group that are already friends, but the co-op needs to survive when original members move on, so building a community - not just a friends' house-share - is required."

one home than lots of separate ones. Owning the property also gives the co-op the opportunity to make changes to the building itself to reduce environmental impact – improving insulation or installing solar panels for example – something most renting tenants cannot do. The benefits of co-ops can go beyond those living in the house, with co-ops reclaiming old community buildings, such as pubs and shops.

In 1974, the Labour government passed a Housing Act allowing state funding to be given to non-profit housing schemes, such as co-operatives. By the mid-1980s hundreds

## Out of Town Housing Co-operative

Location: Brighton

Number of people housed: 15 adults and 3 children in 3 properties

Established: Originally set up in 1996. The founders took over a squatted building and then came to an arrangement with the landlord. As part of the agreement Out Of Town (OOT) became a management cooperative renting from a housing association under a shortlife lease. In 2007 the housing association rehoused OOT in 2 other council properties. In 2009 OOT obtained loans and bought a house.

Government funding: No.

Rent: £303 per month

Type of accommodation: Shared flats .

Rent: £303 per month

Type of accommodation: Shared flats .

of co-ops had been set up. This went hand-in-hand with the emergence of housing action groups, tenants associations and neighbourhood and community councils as people attempted to gain more control over their housing.[3]

However, obtaining state funding has now become almost impossible. In order to obtain funding, co-ops must register with the Tenant Services Authority (the TSA, previously the Housing Corporation). Co-ops which have managed to register with the TSA and obtain state funding often find themselves hamstrung by the levels of bureaucracy tied in with the grant.

Other co-ops are set up as management cooperatives. These co-ops pay rent to a body, such as a housing association, rather than owning property. This allows co-ops to obtain affordable rents, but limits autonomy. However, the fact that these co-ops are legally incorporated allows them to have a degree of control, managing the maintenance of buildings and setting the rent which members pay. Housing co-ops set up in this way are effectively housing association tenants and, as such, give up a lot of the autonomy that tenants of self managed co-ops have.

Increasingly, co-ops have opted to avoid state funding entirely. These independent, often fully mutual, co-ops are set up by groups of people coming together, registering as an Industrial & Provident Society and collectively applying for loans. They are owned, managed and controlled democratically by their members and tenants. This process has been aided by the formation of networks of solidarity supporting the setting up of co-operatives. In the late 1980s, several cooperatives grouped together to form a mutual aid network, Radical Routes. Radical Routes is a secondary cooperative, which lends money to its member co-ops and engages in skill-sharing, mediation and the registering of new co-ops.

Even though many smaller housing co-ops have demutualised and merged with larger housing associations, the co-op sector remains resilient. Yet, the sector has been largely forgotten by housing policy makers. It seems in today's housing climate, housing co-ops can perform a key role in providing affordable housing, and the more co-ops that are set up, the more accessible they will become.

Co-op members have used the security provided by cooperative housing to run social centres, organic farms, workers co-operatives and provide accommodation to migrants. The formal and informal networks created by co-ops over the years have brought many benefits to wider communities, not just those living in co-ops. Being free from exploitation by landlords increases our capacity to work for social change.

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  - [3] <http://www.nchc.org.uk/public/coophistory.shtml>
  - [4] The Loan stock system is a system of 'fixed-term' loans. In other words, people lend money to the co-op for a set period. The co-op pays interest to the investor 'loan stock holder'. Usually this is paid direct to the investor at the end of each year. At the end of the set period, the investor is paid back in full. The loan stock is not secured on the house but is financed by rental income instead.
- Radical Routes - [www.radicalroutes.org.uk](http://www.radicalroutes.org.uk)  
Catalyst – [catalystcollective.org](http://catalystcollective.org) – provides registration services to new co-ops  
Diggers and Dreamers - [www.diggersanddreamers.org.uk](http://www.diggersanddreamers.org.uk) – Lists co-ops and opportunities for communal living in the UK  
Confederation of Cooperative Housing - [www.cch.coop](http://www.cch.coop)  
Many thanks to the various members of housing co-ops interviewed for this article

## Case Study: Phoenix Community Housing Co-op

Not all housing co-ops operate discretely as ownership or management co-ops.[1] Phoenix Community Housing Co-op[2] operates a mixed strategy incorporating both models and displays the contradictions that would be expected of this

approach. It was formed in 1980 by the Friends of the Western Buddhist Order (FWBO) and Hackney council[3] to provide accommodation for homeless young people, and many ex-squatters. Phoenix initially acted as a management co-op for Hackney Council and subsequently Poplar HARCA and The Peabody Trust, amongst others. In 1993, Phoenix purchased its first long term properties - ten properties from Hackney Council - and now maintains 16 properties offering long term secure accommodation to 57 members. Yet, it operates primarily as a stop gap housing solution whose aim is to 'provide homes for single people on low incomes who are homeless or at risk of homelessness'.[4]

The co-op has experimented with different models in order to finance longer term accommodation, such as its 'Housing Plus' scheme, which involves returning to use stock declared long term 'management void' by Poplar HARCA.[5] This is cost effective for Phoenix as the labour for renovation comes from the those already involved in the co-op. In return for bringing these properties back into use, Poplar HARCA grants a seven year lease and a reduced licence fee.[6] However, after the seven years are up, the properties will presumably return to HARCA's own stock and there is no guarantee that they will remain as social housing and not be subject to future privatisation initiatives. This is one of the contradictions of operating a mixed strategy: in order to achieve the short term goal of acquiring relatively secure housing cheaply, Phoenix is likely to loose out in the longer term by effectively providing free labour to renovate what are essentially local authority properties, which may then end up being privatised with someone else pocketing the profits. This may not have a direct negative effect on Phoenix, but it may end up contributing to the transfer of what was once public housing into private ownership.

Despite being set up mainly by ex-squatters and housing a high proportion of ex-squatters, the management model employed by Phoenix is open to political manipulation and can act to increase precarious housing. The majority of accommodation provided by Phoenix, around 203 beds, is mediated through housing associations and local authorities. This means Phoenix pays a licence fee to an organisation to then rent out, on a short term basis, properties often earmarked for redevelopment. The consequence of this is that contracts are temporary, requiring just one months termination, and often in areas where gentrification through 'mixed housing' is being planned by local authorities. This is quite transparent on the Brownfield estate in Poplar where Balfron Tower is due to be renovated and sold off as private housing (in order to fund other mixed housing developments on the estate) and Phoenix tenants, with their flexible short term contracts, are replacing long term tenants as decanting begins. Phoenix notes on its website: 'When the landlord

## Two Piers Housing Co-operative

Location: Brighton

Number of people housed: 68 people in 6 properties

Established: 1978

Government funding: Yes

Rent: around £48 a week including council tax

Type of accommodation: Shared flats and houses combined with self contained accommodation for single parent families.

Quotes from members: "Two Piers provides low rents and a stable environment but, because of its size and bureaucracy its members can feel disempowered".

## Laurieston Hall

Location: Castle Douglas, Scotland

Number of people housed: 23 members and 6 children

Established: 4 families from London sold their properties and bought the co-op outright. In 1987 the community became a co-op.

Government funding: The setting up of the co-op was not government funded. The co-op was registered with Scottish Homes (the Scottish counterpart of the Housing Corporation) in an attempt to obtain government funding for expansion but this attempt to obtain funding failed due to bureaucracy. One of Scottish Homes' stipulations was that, in order to register, the rent would have to increase. The co-op refused. The co-op has received some government grants for Rural Stewardship.

Rent: £90 a week plus a requirement to undertake work for the co-op. The co-op has a policy of rent parity.

Type of accommodation: One large building plus several outbuildings, a hydroelectric project and a farm on 140 acres of land. The housing co-op supports a worker's co-op, the Laurieston Hall People's Centre.

From the co-op's website: "Co-operation is our common ideology; under that umbrella we lean this way and that, are generally better at dealing with tomorrow than next year, are supportive of each other as individuals as well as co-op members... and we try to have a good time!"

wants the property back Phoenix will serve the member with a Notice to Quit (NTQ), ending our tenant's tenancy, and make arrangements to give vacant possession to the landlord on an agreed date. The landlord has no responsibility for re-housing our members'.[7]

As a Registered Provider of social housing, Phoenix is not allowed to charge deposits and lacks autonomy when dealing with the provision of short term units. For some people this lack of a deposit is extremely beneficial, housing those who otherwise would be left with squatting as their only option. However, Phoenix has acted to evict squatters from properties it has managed, paving the way for gentrification. One example of this is Ida street on the Brownfield estate where squatters were told a property they were legally occupying was needed to house a remand prisoner on his release. Acting on this information, the squatters vacated the building only for the whole road to be enclosed and demolition works to begin. This highlights more of the contradictions with this model, whereby the needs of local authorities may be in direct contrast with the needs of co-ops, like Phoenix, and their members.

Corporate Watch carried out a series of interviews with a previous Phoenix member, Laura, during October 2011, which helped to illustrate some of these issues. Laura lived with Phoenix for three years, all of it in short term accommodation, mostly on the Nagshead estate in Hackney, which is run by the Peabody Trust. In 2008, all the Phoenix tenants on the estate were forced to move out into substandard accommodation. They were given less than the required months notice. They were decanted in order to house others who had been evicted from their accommodation in Clay's Lane housing co-op, because the Clay's Lane tenants had been evicted due to the Olympics, yet a public promise had been made that no one would be made homeless due to the Olympics. The Phoenix tenants were moved on once more into properties on the Leopold estate on Bow Common Lane, which had been rejected as unfit by Poplar Families homeless

unit, yet deemed acceptable by Phoenix and Poplar HARCA. Those Phoenix tenants who fought the forced removals were demonised as 'undeserving short term residents on benefits' as opposed to 'good hard working council tenants', meaning the former could be more easily isolated and dispersed from their previously stable community. For a co-op like Phoenix, 'problem' tenants can be kept on short term contracts as they have no obligation to re-house anyone.

While a co-op like Phoenix provides a valuable resource for those who are about to fall out of the net of housing provision altogether, the two models do not fit comfortably with each other. Local authorities use short term housing to meet their own political ends. This usually amounts to smoothing over the decanting of former council properties in order for them to

be 'redeveloped' as 'mixed housing'. The only secure housing solutions are long term, self owned and self managed ones which enable the needs of members to be met, rather than playing contradictory political games.

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# Campaign Spotlight: Squatters Action for Secure Homes

Corporate Watch interviewed **Hannah Schling**, a member of SQUASH, about how the campaign's shaping up in the light of imminent changes to squatting law

campaign spotlight

## 1) Why was SQUASH originally set up?

Squatters Action for Secure Homes (SQUASH) was originally set up in the early 1990s to resist the then Tory government's attempt to criminalise squatting as part of the Criminal Justice and Public Order Act in 1994.

## 2) How did it succeed in resisting this attempt to criminalise squatting in the 1990s?

SQUASH was very successful in the 1990s. The government's initial intentions had been to criminalise squatting outright, but in the end they introduced the Interim Possession Order (which gives property owners increased powers to gain speedier eviction, but doesn't criminalise the act of squatting itself).

The Criminal Justice and Public Order Act was an attempt to criminalise trespass in many different forms - from raves to the roads protests and hunt saboteurs - and so brought together a huge and diverse movement resisting a single piece of legislation. SQUASH was one part of this. Now we're facing attacks, cuts and privatisation, on multiple fronts, with groups more dispersed in their resistance.

Like now, SQUASH did lots of research in the 1990s, producing in-depth briefings and managing to get sympathetic quotes, even from the Met. In the end, the House of Lords changed the wording and structure of the bill to significantly lessen its negative impact on squatting. I think that this was a direct result of SQUASH's research and arguments and the effect they had on many influential people.

## 3) Why has SQUASH been re-started?

Because squatting and homelessness are, once again, under attack, both by politicians and by the corporate media. This time, however, they are aiming to make the very act of squatting in residential properties a criminal offence.

We re-started the group in March last year after a dramatic increase in negative and distorted stories about squatters in the media. Sections of the corporate media, in collusion with the Tories, have been conducting an active campaign of misinformation, serving to create confusion about existing legislation on squatting and attempting to construct 'public demand' for criminalisation.

Then, as if 'responding' to this public demand, the government announced its intentions to criminalise squatting and launched a consultation, 'Options for Dealing with Squatting', which closed on the 5th October. Twenty days later the Ministry of Justice (MoJ) reported the results of the consultation, in which 96% of respondents were opposed to any further criminalisation of squatting. Despite this, the next day the MoJ announced new Clause 26 to the

Legal Aid and Sentencing of Offenders Bill, to criminalise all squatting in residential buildings. The Legal Aid Bill was also already at its third reading in the House of Commons, past the committee stage, and Clause 26 was discussed and passed by MPs four working days after its announcement by the MoJ. The government introduced criminalisation through the back door by adding a last minute clause that received little to no scrutiny in the commons. It is now at the House of Lords.

## 4) What tactics has the group used so far to try to resist the criminalisation of squatting?

SQUASH has been running an extensive campaign to challenge media misinformation, and provide positive influence to public opinion on squatting. For example, we have an extensive blog on our website[1]. We've started a 'Made Possible by Squatting' campaign to show how many now public spaces have been reclaimed via squatting and transformed into co-operatives, social centres, and spaces providing services, such as Crossroads Women's Centre[2].

We have undertaken a lot of research, producing a report - 'Criminalising the Vulnerable' - and a briefing for MPs on Clause 26[3].

Alongside this we have brought together many different groups, squatters to housing action groups and students, building broad based opposition to criminalisation. This is also important for shifting the largely negative public discourse on squatting - which is harder to sustain with prominent voices, such as the Law Society, Crisis, and the Housing Law Practitioners Association, opposing criminalisation. Our research has helped inform these voices.

SQUASH worked to mobilise over 2,000 responses to the government's consultation and 96% of respondents were opposed to criminalisation. This included such unlikely bedfellows as the Police, Magistrates and even one Landlords Association[4].

After the announcement of Clause 26, SQUASH called for a mass 'sleep out' outside Parliament to show the government that if you force the homeless out of the squats then they will be present en masse in the streets. Hundreds came. The police responded by stating that our presence outside Parliament constituted an unauthorised protest as we hadn't given seven days notice. The irony being that there were only six days in total between the clause being announced and it being voted through, and that the law about protest outside Parliament (SOCPA 132) is basically being repealed. As a result of this, 17 people were arrested after being kettled and beaten by the police.



The next day, despite the best efforts of the police, campaigners were able to get into Parliament to brief their MPs, on the undemocratic and socially damaging proposals. This meant that nearly all of the points of our briefings were made by Labour, Liberal Democrat and Green MPs, including the Labour shadow Justice Minister.

With the bill now at the Lords, we are continuing the campaign and working to pressure the Lords to limit the worst of the criminalisation. There will be more actions over the coming months.

### **5) Has it been successful?**

Within the context of our supposed 'democracy', the government's reflex of ignoring the 96% is, unfortunately, unsurprising. But the expression of such large opposition to criminalisation within the consultation process has revealed how totally undemocratic the government's criminalisation of squatting is. Only seven people out of 2,217 responded to the consultation to say that their residential property had been squatted and they considered squatting to be a problem. If all we had were corporate media stories to go by it would be harder to show how those buying for criminalisation are in the vast minority. I think that the exclusion of commercial properties from Clause 26 is partly because of this massive show of opposition to criminalisation, with the government still trying to present themselves as making some kind of 'compromise' as a result.

The MPs briefing was crucial, as it ensured that key arguments were raised by MPs in the House of Commons debate, giving a mandate to the Lords to limit the worst elements of the proposed legislation and to pursue amendments to it - for example limiting criminalisation to residential properties which have been empty for less than six months.

Organising against the criminalisation has provided squatters with a very real base for a longer term fight and a stronger squatters' movement, one able to sustain its own support infrastructure for when criminalisation comes into force.

### **6) How has SQUASH worked with other groups?**

SQUASH have been successful in generating support and action from a diverse set of groups - from the Housing Law Practitioners Society to homelessness charities such as Crisis. We have been able to share resources, information and research, which has been immensely helpful. There are loads of housing law experts who are interested in analysing and providing technical arguments against the proposed legislation. Crisis have done some good research to show how the most vulnerable homeless people rely upon squatting. We are organising with student groups across the UK, to show how any further criminalisation of trespass is a fundamental threat to occupations. And the Advisory Service for Squatters is, with their invaluable work, is a source of constant inspiration.

### **7) How is the current housing crisis affecting what SQUASH has been doing?**

The current housing crisis is central to what SQUASH are doing. The criminalisation of squatting is an attack on a key survival strategy of homeless people, at a time when they are growing in number and their other options are rapidly decreasing.

When viewed from this perspective, it is less surprising that the Tories have chosen to uphold the 'rights' of property over people. Their major concern is to protect the accumulation of those who possess so much that they can afford to keep property empty, at the expense of the further dispossession of those with the least. Criminalising squatting is one act of

enclosure amongst many within the Con-Dem government's privatisation agenda.

### **8) Do you think the state of the corporate housing industry today makes it harder for groups like SQUASH to resist?**

Privatisation and corporatisation has made it harder to resist the impacts of the housing crisis via more traditional routes such as rent strikes. The fragmentation of our experiences of housing is mirrored in the dispersed nature of the Con-Dem government's attacks: it is happening on all fronts whilst we have long lost many of the communalities which made it easier to resist in the past. But this is not to say that such resistance is forever lost. Far from it. Squatting is a brilliant tactic for exposing corporate interests - the majority of empty buildings are owned by large corporations, banks, offshore companies, and local authorities transferring public housing stock into the hands of private developers.

### **9) Can you see any improvements needed in the current housing direct action movement?**

With the economic crisis, and the present government's attacks on housing provision, such as the severe cuts to housing benefit, many more people are closer to homelessness. The numbers of 'hidden homeless' are increasing - people sleeping on friends sofas, in temporary accommodation, such as B&Bs, or in squats. Research shows that 40% of homeless people have squatted to avoid sleeping rough. In essence, squatting is a fundamental survival strategy. In the context of crisis and increasing numbers having to rely upon squatting as a solution to their housing needs it also holds the potential to be a fundamental act of resistance to the wider attack on the right to housing in the UK.

However, there is much to be done to realise this fully - more public, visible direct actions are vital. The squatting movement must now start to set the agenda by showing the wider public the value of being able to squat in empty residential buildings, and the act of enclosure which is criminalisation.

But there are also many more links between different struggles which are needed to create a real *housing* direct action movement. One of these is between vulnerably housed tenants, both in council or 'social' housing and in private accommodation, and squatters. Squatters often have great skills in resisting eviction. As more people face being evicted from their homes, either because of the closure of council housing or the inability to keep up with increasing rent or mortgage repayments, evictions could become moments of solidarity that would enable interesting links to be made and would see the growth of a larger movement around housing.

People interested in getting involved with SQUASH and the fight to stop the criminalisation of squatting can contact us at: [info@squashcampaign.org](mailto:info@squashcampaign.org)

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# New Book: Corporate Watch book calls for direct action against British companies complicit in Israeli apartheid

*Corporate Watch has just released a book, Targeting Israeli Apartheid: A Boycott Divestment and Sanctions Handbook, encouraging campaigners to take direct action against the British companies complicit in Israeli apartheid, militarism and colonisation.*

The book, based on extensive research in Palestine and the UK, and interviews with Palestinian and Israeli campaigners, takes its cue from the unified Palestinian call for Boycott Divestment and Sanctions (BDS):

“We representatives of Palestinian civil society, call upon international civil society organizations and people of conscience all over the world to impose broad boycotts and implement divestment initiatives against Israel, similar to those applied to South Africa in the apartheid era.”

– **Palestinian civil society call for Boycott, Divestment and Sanctions, 2005.**

The book begins by examining the Israeli economy industry by industry and suggesting where the movement should focus its campaigning energy in order to be most effective. Part two contains five in-depth geographical case studies. The final section looks at how campaigners can bring the fight home to the UK.

Targeting Israeli Apartheid picks out Barclays Bank as the British bank with the most substantial investments in Israeli companies, including companies with branches in illegal Israeli settlements. The book also examines several British university and pension fund investments and reveals financial support for companies based in Israeli settlements and arms companies supplying weapons to the Israeli state. The book goes on to show how charities registered in the UK donate to the Israeli army and settlements.

Targeting Israeli Apartheid is the guide many of us in the movement have been waiting for. This forensic, clear and systematic account details the where, who, how and why of the flows of capital and contracts which enable the colonisation of Palestine to continue.”

– **Ewa Jasiewicz – Coordinator of the Free Gaza movement.**

The rationale for the book is to

provide necessary information for campaigners to take action, allowing the international BDS movement to bring the Palestinian struggle to the doorsteps of those profiting from Israeli apartheid

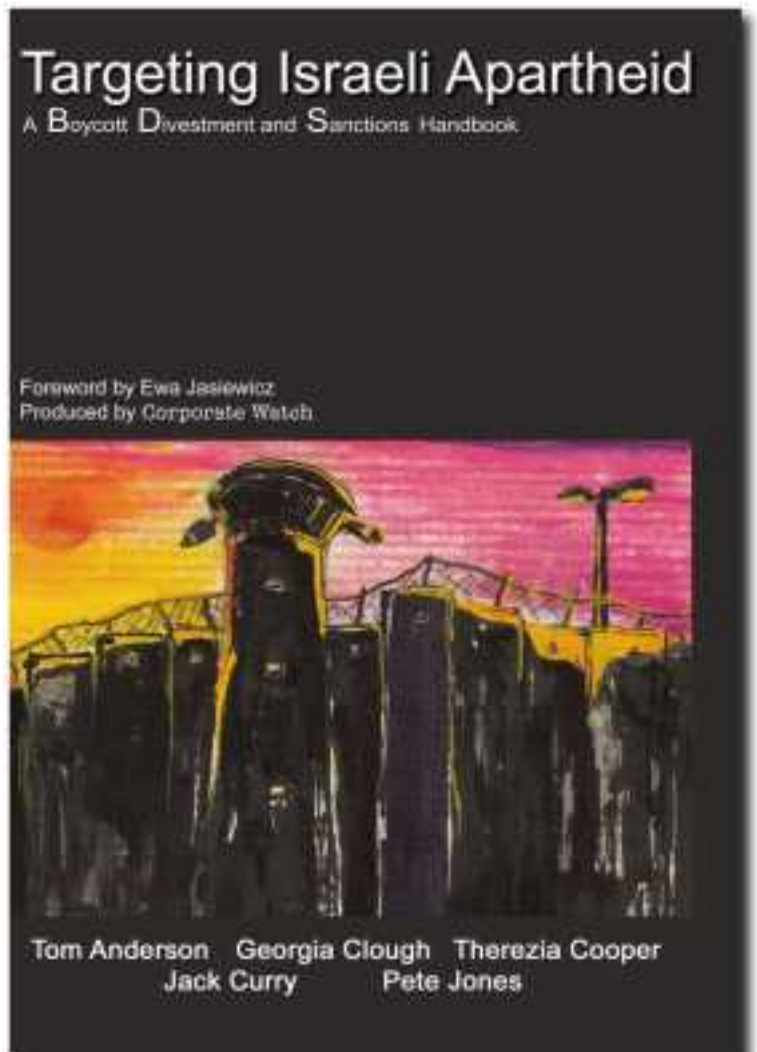
For more details, or to obtain a review copy of the book please contact Tom Anderson, tel: 02074260005, email: [contact@corporatewatch.org](mailto:contact@corporatewatch.org), [www.corporatewatch.org](http://www.corporatewatch.org).

## Notes for Journalists

Targeting Israeli Apartheid was written by Tom Anderson, Georgia Clough, Jack Curry, Pete Jones and Therezia Cooper. It was produced by Corporate Watch.

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new book









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