



Moonlight ROBBERY

Campaign to stop the robbery of council tenants

November 2008

News Bulletin

Moonlight Robbery Campaign's Housing Revenue Account Proposals

Moonlight Robbery Campaign is a tenant led campaign, highlighting the fact that year after year council tenants pay more in rent than is redistributed to councils to spend on management, maintenance and major repairs to their homes. We call this 'Moonlight Robbery'. Updated figures show the robbery this year to be £1.7 billion and around £17 billion since this government came to power in 1997.

We have also highlighted the fact that along side this robbery, there is a massive shortfall in allowances to properly manage, maintain and repair council homes – to the tune of £2.35 billion this year.

Our campaign's proposals suggest keeping the national and redistributive HRA system, but ending Moonlight Robbery and having Management and Maintenance and Major Repair Allowances funded to the level of need as assessed by the governments own research.

Our proposals have now been modelled and are now available on our website www.moonlightrobbery.org.uk. You are able to scroll down the list of local authorities with council housing stock in our table, to see how much your council would benefit from the Moonlight Robbery campaign proposals (per annum) and how much additional funding would be spent on your home each week.

Call for the immediate end the 'direct' robbery of council tenants

Moonlight Robbery is made up of two parts:

1. Government insists that council tenants' rents are unfairly used to cover repayments on loans taken out to build and improve council homes. These 'capital cost' should be covered by the treasury, since it is the treasury that gains from the majority of the proceeds of any sales of council homes (capital assets).
2. Government makes a direct profit from council tenants' rents through the national HRA system pocketing £194 million this year, which is estimated to increase to £216 million next.

The direct profit making has been criticised by tenant and landlord organisations alike. The Local Government Association, made much of this 'tenant taxation' in its 'My Rent went to Whitehall position paper' which sets out its own views on the HRA Review (discussed in the Moonlight Robbery Newsletter of August '08).

Since part of the remit of the Government's HRA Review is 'to inform the annual HRA 'subsidy' determinations (how much each council gets to keep in its own local Housing Revenue Account) in the remaining two years of the current spending period', the Moonlight Robbery campaign wrote directly to the Housing Minister and

the Treasury calling for an end to the direct robbery and for money instead to be used to begin to reduce the chronic under-funding of management and maintenance allowances

Moonlight Robbery campaigners have also written to national and regional tenants organisations, the Local Government Association and other landlord organisations that have supported their 'position paper', asking that they support our call for an immediate end to the direct robbery of council tenants rents. We have asked that they too write to Yvette Cooper in the Treasury and Housing Minister, Margaret Beckett

To add your support, your tenants' organisation could similarly write to Yvette Cooper and Margaret Beckett and suggest to your council that they do the same.

Submit a response to the Housing Revenue Account Review Team

The Moonlight Robbery Campaign and other tenants organisations have been critical of government and the Chartered Institute of Housing, (who government commissioned to facilitate analysis and discussion on the HRA Review), to sufficiently engage tenants in the review.

In response, Government has recently sent out packs of consultation material to councils and has provided a link on their online tenant questionnaire (which has some particularly loaded questions contained in it). They have also suggested that submissions may be made directly to the HRA Review Team hrareview@communities.gsi.gov.uk We would encourage tenants' organisations to submit comments (by mid October), including the following points -

- The word 'subsidy' should be removed from the name of the HRA system. The HRA is a 'redistributive system, allocating tenants rent payment nationally to local authorities according to Governments under assessment of need and without government 'subsidy'.
- The national and redistributive Housing Revenue Account should be maintained, but with tenants' rents being used exclusively for management, maintenance and major repairs to their homes and with allowances allocated to meet need.
- Tenants are currently being asked to pay the interest on loans taken out to build and improve council homes. This is unfair, since council tenants don't own their homes and since the majority of proceeds from sales of council homes go directly to the treasury. The treasury, not tenants should foot this bill.
- Government is also making a direct profit making from council tenants rents - of £1.94 million this year. Next years estimated £216 million profit should be used to increase management and maintenance allowances. This should end immediately.
- Management and Maintenance and Major Repairs Allowances should be funded to the level of need as assessed by government commissioned research. Current shortfall is £2.35 billion pounds nationally per annum. Ending Moonlight Robbery would meet 72% of this need. The remaining shortfall for years to come should be made up from previous years of robbery (17 billion since this government has been in power).
- The Housing Revenue Accounts should be ring-fenced at both the local and national level.