



Moonlight ROBBERY

www.moonlightrobbery.org.uk

Campaign to stop the robbery of council tenants
NEWSLETTER - AUGUST '08

We want our money back!



Moonlight Robbery tenant campaigners at the House of Commons demanding back 'robbed' rent money

Latest (2007) figures show that the difference between the amount of rent tenants pay nationally and the amount of that rent money councils are allowed to spend on management, maintenance and major repairs to council homes (what we call Moonlight Robbery) has increased and now stands at **£1.7 billion**.

This is shocking when latest figures also show the national shortfall in the amount allowed for management, maintenance and major repairs now stands at **£2.35 billion**.

If tenants rents were used exclusively to pay for the management, maintenance and repairs to their homes, the extra £1.7 billion would go almost three quarters of the way to meeting this 2.35 billion shortfall.

The figures for the shortfall are derived from two pieces of government commissioned research. Firstly: analysis on management and maintenance of council homes carried out by the Building Research Establishment in

2003; secondly the 'Self-financing of council housing services' published by government in March this year.

The government's review of the Housing Revenue Account (HRA) has provided the opportunity for the Moonlight Robbery and others concerned with the problems and unfairness of the current system, to make this point in housing, national and local press.

Winchester tenant Alan Rickman has even managed to gain leave to challenge the government in the European Court of Human Rights about some of the robbery.

Alan is pictured above with other Moonlight Robbery campaigners (holding one side of a giant Moonlight Robbery invoice) which was presented to Gordon Brown, or someone looking remarkably like him at the House of Commons on the 25th of June!

Some councils, have made a big noise about the fact that the rent paid by tenants in their boroughs is being handed over to other authorities, within the national re-

distributive HRA system.

They have come together with others under the Local Government Association (LGA) to produce a 'position paper' on the HRA, which proposes ending the national redistributive system.

The Moonlight Robbery Campaign's view is by far, the bigger problems with the HRA are the 'robbery' and the shortfall which results in every single council having insufficient to properly manage, maintain and repair its tenants homes.

We recognise that in a system where no one has enough, the 'redistributive element' becomes exaggerated for some councils; but we have reservations about the LGA's proposals, fearing they will result in a more unequal system, in which some councils will have sufficient to meet need and others will not.

The Moonlight Robbery campaign has modelled its own proposals focused on ending the robbery and addressing the shortfall fairly and more evenly for all councils and all council tenant.

Openness, transparency and tenant empowerment HRA Review fails to match Government rhetoric

The Housing Revenue Account Review was formally announced in December 2007 by the ex housing minister Yvette Cooper.

She set out the aims and purpose of the review along with time scales for change.

Given the problems of under-funding for management, maintenance and major repairs of council tenants homes and the robbery of council tenants rents, perhaps it is not surprising that the review has seemingly been kept as far away as possible from the organised tenant movement, with its three national, six regional and perhaps a hundred or more authority wide council tenant organisations.

Government handed over the responsibility of 'engaging stakeholders' in the review to the Chartered Institute of Housing (CIH), who held a series of workshops between April and July.

More than 60 hand picked invitees attended the workshops; but only three of these were tenants, selected by TPAS and apparently not there to represent the organisations they are from.

Despite the fact that the workshop discussions would have been of enormous interest to both tenants and councils, minutes have been conspicuously absent from the CIH website although it seems under pressure, they have finally put together a synopsis of each of the workshop discussions.

Two further workshops were organised in July, one in Leeds and one in Bristol, for a 'wider audience'. But yet again these were invitation-only events and very few tenants were in attendance.

A sop to 'wider consultation' eventually arrived with a CIH announcement that both housing professionals and tenants could sign up to make their comments about the review on the CIH website.

Given that few tenants would have known about this offer, it is hardly surprising that few tenant comments have been posted on it.

Another fine example of Government commitment to 'tenant empowerment'!

Moonlight Robbery Campaign proposals

The Moonlight Robbery Campaign has modelled what the HRA would look like for each local authority, without the 'robbery' – full details will soon be posted on www.moonlightrobbery.org.uk The proposals would benefit each and every council and tenant similarly.

Ending Moonlight Robbery would cover 72% of the existing national shortfall (as analysed in government commissioned research) for management and maintenance (M&M) and major repairs allowances (MRA).

£2.35 b (Current Shortfall)
- **£1.7 b** (Moonlight Robbery)

£0.65 b (Remaining shortfall)

We argue the remaining shortfall should be funded from previous years' 'robbery': (about £17 billion since 1997)

As well as the proposals benefiting each and every council and tenant to a similar extent; the proposals reduce the number of authorities contributing to the national HRA pot from 156 to 74.

The amount contributed would be reduced to less than a sixth of the present position (from £780 million to £170 million).

Whilst the LGA proposals would bring benefits to tenants, that benefit would be unevenly and unfairly distributed.

Comparison with the LGA's 'My rent went to Whitehall' position paper

The Moonlight Robbery Campaign proposes reforming the national redistributive HRA system; to ensure all councils have sufficient funds to properly manage, maintain and repair all council tenants homes. The LGA proposes ending the national redistributive system. This would benefit some councils and their tenants a lot and others much less. Some councils would have sufficient funds to manage, maintain and repair council homes to the level of need but others would not.

The Moonlight Robbery Campaign's proposals address the fact that tenants unfairly pay £1.7 billion more in rent (to pay off debt on the capital cost to council homes and to provide some extra profit for government) than councils are allowed to spend on managing, maintaining and repairing council tenants homes.

The LGA proposal fails to acknowledge this unfairness. The LGA proposes that in return for tenants being unfairly charged for capital cost (paying off the debt on loans taken out to build and improve council homes), that individual authorities retain 100% of capital receipts from the right to buy. This again would benefit local authorities unevenly, because of the huge variation in property prices across the country.

The Moonlight Robbery Campaign's proposals address the current £2.35 billion national shortfall in funds for managing, maintaining and repairing council tenants' homes. It proposes ending the £1.7 billion robbery (which would cover almost three quarters of the shortfall) and using previous year's robbery of council tenants rents (about £17 billion since 1997) to cover the remaining £650 million shortfall.

The LGA's proposals would address an estimated £800 million of the national shortfall plus 100% retention of capital receipts. Yet again this would benefit some authorities and tenants more than others. Significantly fewer authorities would have sufficient to manage, maintain and repair council homes to the level of need than proposed by the Moonlight Robbery Campaign.

The Moonlight Robbery Campaign proposes that tenants' rents are ring-fenced at the national and local level; i.e. used exclusively for the purposes of management, maintenance (M&MA) and major repairs (MRA) to council tenants' homes. There is a danger that the LGA proposals could lead to authorities using rent monies for non-landlord services, which should be paid for from the general fund.