

Privatising the anomaly - public housing in Northern Ireland

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For over four decades the delivery of public housing in Northern Ireland had been little changed, with one unified public housing provider across the six counties. Created in 1971 as a direct outcome of the civil rights movement's agitation over housing, the Northern Ireland Housing Executive (NIHE) has been able to improve public housing conditions from among the worst in Europe, at the time of its creation, to now being considered a role model¹. This legacy is currently under attack in a pincer movement of welfare reforms and threatened privatisation.

Despite the promises of politicians north, south and in Westminster, austerity policies are continuing to fail with little prospect of any return to the holy grail of a growing economy. The response by the British Con-Dem coalition is to further attack poor and working people; for example, the recent 1 per cent cap in benefit rises, and most contentiously the bedroom tax of between £40-£80 per week for those NIHE tenants with a 'spare bedroom'.

These current austerity policies are combined with long-term neoliberal priorities that preference the private sector and market relations over public sector delivery; hence, the Right to Buy policy² and Large-scale Voluntary Stock Transfers³ (LSVTs) in housing. There is also the default belief among our politicians that everyone aspires to be a home-owner and this influences housing policy. However,

the central motivation of the LSVT policy is to allow private finance access to public assets and income streams which can then be exploited to generate profits.

This article locates the current attacks on public housing in Northern Ireland within the wider neoliberalisation of public services leading to a marginalisation of the service and attempts to abolish public housing altogether. These processes are far more advanced in Britain, where they have also generated significant opposition from tenants, trade unions and other campaigners. Drawing on the experience and of these recent housing campaigns the article sets out the lessons for a similar campaign in Northern Ireland.

The article is structured as follows; the next section looks at the detail of the current proposed attack on public housing in Northern Ireland in the form of the Bedroom Tax and the privatisation of the NIHE. The article then concentrates on the later of these two by positioning the NIHE privatisation in the context of the stock transfer policy in Britain. The focus then returns to the NI context with an exploration of the origins of the NIHE, before concluding with an outline of what socialists can do to challenge and ultimately stop cuts in housing benefits and defend public housing in NI.

¹*Brick by Brick: A history of the Northern Ireland Housing Executive*, Housing Executive, Belfast, (1991: 74)

² The Right to Buy policy allows council housing tenants to buy their own home by raising a mortgage but also receiving a large discount from the state.

³LSVTs happen when councils transfer their housing stock to a private sector, not-for-profit limited by guarantee company

Public housing under attack

Bedroom Tax



From April 2013, the Tory-led coalition government introduced a cut in housing benefit for anyone they believe has a spare bedroom - a 14 per cent cut for one bedroom and 25 per cent for two or more bedrooms. The callous nature of these cuts is shown in how they decide whether someone has a spare bedroom. For example children under 10 are expected to share, as are children under 16 of the same gender. The Coalition expects people affected by this bedroom tax to either cut back on other expenditure or move. In Northern Ireland there are estimated to be 32,000 households (26,000 NIHE tenants and 6,000 in housing association homes) affected by this tax. There plainly are not the properties available for all these people to move to smaller homes. The Coalition knows this. So the bedroom tax⁴ is simply about taking money from the poorest.

⁴The Tories do not like the term bedroom tax instead choosing the label their policy as the withdrawal of the bedroom subsidy.

⁵'Bedroom tax costs more to enforce', *Belfast Telegraph*, 5 April 2013. Available at: <http://www.belfasttelegraph.co.uk/news/local-national/northern-ireland/bedroom-tax-costs-more-to-enforce-29175412.html>

⁶As above.

⁷'Sinn Fein vows to oppose welfare reform at Stormont', *Belfast Telegraph*, 16 April 2013. Available at: <http://www.belfasttelegraph.co.uk/news/politics/sinn-fein-vows-to-oppose-welfare-reform-at-stormont-29196102.html>

⁸*UK Housing Review 2005/06* Wilcox, S. Chartered Institute of Housing, London, (2006: table 23b).

The bedroom tax has not yet been implemented in NI but is part of the Welfare Reform Bill currently being considered by the Assembly. At the end of March the Assembly's Social Development Select Committee reported that they oppose its introduction. Even as the bedroom tax has been implemented in England opposition to its introduction has grown in NI, in part this is driven by revelations that the new tax will cost more to administer than it is projected to save⁵. This opposition even includes housing bodies that traditionally have been very supportive of recent government housing policies. For example, the Northern Ireland Federation for Housing Associations, whose chief executive Cameron Watt has said: 'the bedroom tax is an ill-conceived policy it will hurt vulnerable people in Northern Ireland, causing financial hardship for tens of thousands of families Northern Ireland can't afford the human or economic damage this policy would inflict'⁶. This near unanimous opposition has finally forced Sinn Fein into threatening to use Assembly rules to block the tax's introduction.⁷

The bedroom tax is the outcome of housing policies that favour owner occupation and market relations over producing decent affordable housing for all in society. Successive governments have refused to fund local authorities or public bodies (like the NIHE) to build a new generation of council/public housing. So even at the peak of the last boom, in the mid-2000s in England, there was an estimated 4 mil-

lion people on council waiting lists while nearly 700,000 homes stood empty and 29 per cent (over 6 million)⁸ of homes were deemed not to be of a decent homes standard. Given these policy decisions and outcomes, from the politicians' perspective it *appears* logical to attempt to make the most efficient use of the existing housing stock; but as pointed out above this logic is fundamentally flawed and importantly takes no account of the social costs.

NIHE privatisation

In January 2013, under cover of the 'Flags' protests, Nelson McCausland, Minister for Social Development, issued a statement announcing that the Housing Executive is to be taken 'outwith' the public sector. In February, he made clear why he is privatising the NIHE, when he told the Assembly: '...it is important that we make sure that, whatever form it takes, the landlord function has the confidence of the financial institutions so that we get the benefit of drawing in private sector money'⁹.

McCausland, apparently backed¹⁰ by all the other parties in the Executive, has a vision of mortgaging NIHE homes to private finance, by transferring the NIHE housing stock to housing associations. These kinds of transfers are well established in England (and to a lesser degree in Scotland and Wales). Based on those experiences the proposed NIHE transfer is likely to mean that:

- Rents will rise for tenants. For example, council rents are lower than

housing association rents for equivalent housing. In Northern Ireland in 2010/11 the average weekly Housing Executive rent was £52.76, as opposed to £81.69 for housing associations

- These rises are in part a result of the housing stock being used as collateral to borrow money from the private financiers to fund repairs and maintenance. This means that if the HA gets into financial trouble it is the private financial institution who will dictate the running of the housing service.
- In Britain tenants make-up a minority of the board of the new transfer housing association. However, they are legally obliged to act in the best interests of the housing association (in much the same way as directors of private companies). They are specifically instructed not to act as representatives of fellow tenants.
- When tenants transfer to the new HA their legal rights change which makes it easier to evict tenants. This is important as management of the new housing association need to sweat their assets and improve income streams to pay back the private financiers.

McCausland says there will be 'full consultation' on his proposal but at no point does he mention tenants. Further his policy is based on a PwC report¹¹, that claims

⁹Ni Assembly Hansard 26 February 2013. Available at: <http://www.niassembly.gov.uk/Assembly-Business/Official-Report/Reports-12-13/26-February-2013/#2>

¹⁰Minister McCausland claims that all Assembly parties were given the opportunity to comment on his proposal before Christmas 2012, and that none did. On this basis he is claiming the support. The SDLP have criticised McCausland's handling of the proposed privatization as opposed to the substance of the proposal. SF are yet to make public a clear stance on the privatization. (See 'Plans to scrap Housing Executive under attack'. *Belfast Telegraph*, 10 January 2013).

¹¹DSD has released part of the PwC report online at: http://www.niassembly.gov.uk/Documents/Social-Dev/Housing/NIHE%20Review/pwc_report.PDF

to have consulted widely among the NIHE stakeholders but did not talk to tenants or trade unions. One of the first battles in defence of the NIHE is winning the right that other tenants in Britain (see next section) have to a ballot on whether the transfer should go ahead.

McCausland's announcements lack detail about the form or formation of the new landlord(s). However, the new chairman of the NIHE, Don Hoodless, who was appointed by McCausland, has revealed some of the planned detail¹². The NIHE housing stock (of 90,000 homes) will be split among 5 to 7 new transfer housing associations. These associations will be set-up specifically for the purpose. This will require the multiplication of many backroom services resulting in increased costs, further driving up rents. However, new public management theory stipulates that these housing associations will compete with each other thus driving down costs. Again the real experience in England is very far away from these theoretical aspirations.

Further, McCausland and his supporters will not come clean and describe the proposals as a form of privatisation, as they know this has little support among the public. Instead the Minister has engaged in an ideologically motivated campaign to undermine and discredit the legacy and operation of the NIHE. There have been problems at the NIHE with management of maintenance contracts¹³ but the idea that private housing associations would be any better does not stand scrutiny. In June 2011, the BBC discovered that seven out of approximately

30 housing associations in Northern Ireland were suspended from receiving public money for development¹⁴ due to mismanagement and governance issues. One housing association had completed a whole development without planning permission. The problems at the NIHE will not be solved by its privatisation, but are being used to justify the Minister's actions.

What is really driving, McCausland's privatisation agenda is neoliberal ideology. The next section explores the neoliberalisation of council housing in more detail; however, it is important to stress at this stage that it is the Westminster government rules on what constitutes public borrowing that makes the stock transfer option attractive. According to HM Treasury rules, housing associations are considered not to be part of the public sector and hence their borrowing does not count against the Public Sector Net Borrowing (PSNB) metric. This allows transfer housing associations to borrow from the private sector including banks, including a number of large English-based associations starting to operate in the bond markets.

These points and the emergence of stock transfer as a reaction to neoliberal housing policies is explored in the next section; along with the reaction it has generated among tenants and trade unions.

Stock transfer, neoliberalism and resistance

Neoliberalism as a set of ideas holds that by extending the reach of market relations over all aspects of human behaviour then

¹²'Housing Executive likely to be replaced by several new associations', *BBC News website*, 22 April 2013. Available at: <http://www.bbc.co.uk/news/uk-northern-ireland-22240687>

¹³'NIHE slammed over maintenance deals', *Belfast Telegraph*, 4 September 2012. Available at: www.belfasttelegraph.co.uk/news/local-national/northern-ireland/nihe-slammed-over-maintenance-deals-28789113.html

¹⁴'Seven NI housing associations face building bar', *BBC News website*, 14 June 2011. Available at: www.bbc.co.uk/news/uk-northern-ireland-13757340

¹⁵*A Brief History of Neoliberalism*, Harvey, D. (2005)

human well-being can be maximised¹⁵. In relation to public services this has meant over three decades of privatisation, new public management, quasi-market mechanisms (such as league tables) and increased charges for services as direct progressive taxation has been reduced. Democratic accountability and control has been eroded and replaced by regulators and governance relations inspired by private sector corporate governance rules. Neoliberalism is not just a set of ideas developed among rightwing academics in Austria and at the University of Chicago that were adopted by Thatcher and Reagan in the 1980s; it is a class project¹⁶ where the ‘...main substantive achievement ... has been to redistribute, rather than to generate, wealth and income’¹⁷. Neoliberalism in practice leads to a murky world of market-oriented governance through a contradictory and contested series of reforms¹⁸. Rather than just a crude rolling back of the state, as is the common perception, in practice it concerns the rolling out of neoliberal reforms and policies through the state¹⁹, for example the bailing out of the financial system²⁰. This process of rolling-back and rolling out can be seen in the housing policies of successive British governments. In the first instance, public housing was starved of funds creating a huge backlog of maintenance and repairs (estimated to be

£19 billion in 1997, in England alone)²¹. Once this problem was created both Conservative and Labour governments sought to use policies consistent with neoliberal theory to address the problem generated by the previous policies and improve the position. In practice, this meant reasserting the default housing policy of favouring private ownership²² and looking to the private sector to deliver services that were previously delivered by the state. This combination of motivations explains the introduction of the Right to Buy (RtB) policy in 1980 which over the next thirty years had the single biggest impact on reducing the amount of council housing stock in Britain. After RtB sales, council housing stock transfers led to the next biggest reduction. However, the LSVT policy was not pre-planned by the government but emerged in the mid-1980s as a reaction to a range of other specific policies towards council housing. It was initially driven by local authorities, in the rural south of England, reacting to the changed government policy under the Conservative governments since 1979, where council housing was starved of funding and privatisation as a policy aim was promoted²³.

¹⁶Ferguson, J. (2009), ‘The Uses of Neoliberalism’, *Antipode*, Vol. 41 No. S1, pp. 166-184; Harvey, D. (2009), ‘The Crisis and the Consolidation of Class Power: Is This Really the End of Neoliberalism?’, *Counterpunch*, March 13-15. Available at: www.counterpunch.org/2009/03/13/is-this-really-the-end-of-neoliberalism (Accessed on 16/09/12); Peck, J. (2010), *Constructions of Neoliberal Reason*, Oxford University Press, Oxford.

¹⁷Harvey, D. (2005:159)

¹⁸Peck (2010)

¹⁹Peck, J. and Tickell, A. (2002), ‘Neoliberalizing Space’, *Antipode*, Vol. 34 No. 3, pp. 380-404.

²⁰Harvey, D. (2005)

²¹NAO (National Audit Office) (2010), *The Decent Homes Programme*, The Stationery Office, London.

²²Glynn, S. (2009), *Where the other half lives: Lower Income Housing in a Neoliberal World*, London, Pluto Press.

²³Lee, A. D. (2002), *The Development And Operation Of Large Scale Voluntary Transfer Associations 1988 - 1999*, Unpublished PhD thesis. Available at: <http://etheses.lse.ac.uk/37/> (Accessed on 15/03/12).

Stock transfer is privatisation

One of the most contentious aspects of the stock transfer policy is whether it represents a form of privatisation. This is a key argument as privatised services have become synonymous with higher prices, poorer quality services and enrichment for the senior management of the privatised organisation. For these reasons, anti-transfer campaigners place great emphasis on labelling housing transfers as privatisation. In contrast, those who argue that stock transfers are not privatisation do so on the basis that the housing ends up in a not for profit company often with charitable status. In effect they look to the legal form of the transfer and see that it is not a profit-making private company and therefore conclude this is not privatisation. This narrow perspective on privatisation has been countered by Glynn Robbins who argues that whether transfer housing associations are in the private sector or not ‘there are two things for sure; they are certainly not public sector organizations and nor are the banks they borrow from’²⁴.

Thus, there is an element of profit making via a third party, the result of which is the housing association must act like a business, rather than a public service. These points are reflected by Austin Mitchell, MP and Chairperson of the House of Commons Council Housing Group, when he describes stock transfers

as ‘... the ultimate form of privatisation’ explaining:

we always call it - the opponents - privatisation. But the supporters of the system said it wasn’t privatisation, it was social ownership. But of course it wasn’t really, because the housing association’s are companies, actually under company law ... profitability is the more important aim ... So it’s crap. I think the privatisation label is well justified²⁵.

The housing association sector is not a benign equivalent to publicly controlled services. A look at the trends in the English sector shows, there are mergers and takeovers, with government and the regulator’s policies geared towards consolidation²⁶. For example, a third of all housing associations have been engaged in merger, restructuring or deregistering activities in the six years up to 2007²⁷. In addition, at the very top end the biggest not-for-profit associations are lobbying the government to allow them to change their status so that they gain access to funds through a listing on the markets²⁸. The Cambridge Centre for Housing and Planning Research reported that:

In 2008/09, the number of HAs operating in England was

²⁴ Robbins, G. (2002), ‘Taking Stock - Regeneration Programmes and Social Housing’, *Local Economy*, Vol. 17 No. 4, pp. 266-272.

²⁵ Austin Mitchell, MP (interviewed by the author 18 March 2010)

²⁶ Mullins, D. (2006), ‘Competing Institutional Logics? Local Accountability and Scale and Efficiency in an Expanding Non-Profit Housing Sector’, *Public Policy and Administration*, Vol. 21 No. 3, pp. 6-24.; Victory, C. and Malpass, P. (2011), ‘Every Tenant Matters’? The New Governance of Social Housing in England’, *Housing Studies*, Vol. 26 No. 3, pp. 449-458.

²⁷ Pawson, H.; Davidson, E; Morgan, J.; Smith, R and Edwards, R. (2009), *Impacts of Housing Stock Transfers in Britain*, Joseph Rowntree Foundation and Chartered Institute of Housing, York and Coventry.

²⁸ Inside Housing (2007). ‘New prime minister must face up to affordability crisis’, 20 April, 2007, available at: <http://www.insidehousing.co.uk/news/article/?id=1448920>, (accessed on 23 April, 2007).

1,578. This represented a decrease of six percent (or 98 HAs fewer) over the previous year and 18 percent (347 HAs fewer) since 2002/03.²⁹

This concentration and centralisation of the sector makes sense to the housing associations as they are able to access economies of scale across a range of activities such as procurement and administration. It should also be noted that the promises made to tenants during the transfer process are only applicable as long as the transfer housing association remains independent. If the housing association is taken-over, they do not have to be complied with.

Further this whole privatisation process is eased by the use of public money to subsidise the future returns of the housing associations. Making the new landlords attractive to private finance has meant that in England up to 2010 the government subsidised 146 LSVTs to a total of £5.7 billion³⁰ in public funding (in the form of grants, gap funding and debt write-offs). Including, high profile cases such as the Birmingham (in 2002) and Glasgow (in 2003) stock transfers were promised debt write-offs totalling over £1 billion if the tenants agreed to transfer their homes. Further evidence comes from a study that calculated the average price paid for house transferred under the LSVT policy was just £6,600, with the Glasgow transfer being the lowest at just £310 per house³¹.

²⁹ Tang, C. (2010:3) 'Trends in Housing Association Stock in 2009', *Cambridge Centre for Housing and Planning*. Available at: www.dataspring.org.uk/outputs/detail.asp?OutputID=232

³⁰ Wilcox, S. and Pawson, H. (2011), *UK Housing Review 2010/2011*, CIH/BSA, Coventry/London, Table 68b.

³¹ Ginsburg, N. (2005: 123), 'The privatization of council housing', *Critical Social Policy*, Vol. 25 No. 1, pp. 125-135.

³² Department of the Environment consultation document, quoted in Ginsburg (1989). Ginsburg, N. (1989), 'The Housing Act, 1988 and its policy context: a critical commentary', *Critical Social Policy*, Vol. 9 No. 1, pp.56-81.

Resisting neoliberalisation

Council tenants and trade unions have actively challenged the transfer process. Tenants won the right to be consulted (in the form a ballot) about changing their landlord, through grassroots campaigning. In the late 1980s, the Conservative government introduced a scheme called Housing Action Trusts (HATs) whereby council housing estates were to be handed over to a development company that would have no statutory responsibilities or accountabilities; would not be bound to re-house tenants moved out while their estate was being redeveloped and would not have to keep the rents of the new houses at affordable levels. The official motivation for the areas chosen was due to high concentrations of:

poor quality public sector housing which have associated with them a combination of social, economic and environmental problems; a high level of crime and vandalism; high unemployment; a concentration of families with severe disadvantage and heavily dependent on income support; a low level of commercial and economic activity³².

Tenants in the proposed HATs areas took offence at what they saw as caricatures of their estates. In addition, there were no plans for consultation with the tenants. This position was further in-

flamed when the Tory Environment Secretary, Nicolas Ridley, stated ‘if you are trying to help somebody ... you don’t want them to vote against that being done!’³³ Ridley’s outburst was a reaction to months of campaigning, lobbying and agitation by tenants in all six proposed HATs areas. One of the most vibrant groups was Sunderland Tenants Action - No Dictatorship (STAND), who a week before the third reading of the bill in the Commons lobbied parliament with signatures from 86 per cent of all affected tenants, calling for their right to vote on the proposal. In response, the government announced an amendment to allow tenants to be balloted before a HAT was set-up. This apparently small concession, was the culmination of months of campaigning by tenants, and was to have unforeseen implications for the stock transfer policy. In the same manner that working class men and women, from the Chartists to the Suffragettes, campaigned for, and won the right to vote³⁴, tenants in the HATs areas campaigned and won the right to decide who their landlord is.

Despite this victory the transfer process is extremely biased and unequal. The *House of Commons Council Housing Group* (HOCCHG) report in 2005 highlighted a range of problems with ballots for both stock transfers, including moving the proposed date of the ballot and repeated subsequent ballots in response to a ‘No’ vote. In addition, the local authority can decide to pursue partial-stock transfers. The local authority can effectively gerrymander the ballot. Another report by the HOCCHG³⁵ contains further evidence

of ‘... the biased nature of the stock transfer ‘consultation’ process’³⁶. A number of local authorities had been the subject of complaints upheld by the Advertising Standards Agency that pro-transfer literature was misleading. Government auditors on two occasions have found that the local authorities had unlawfully used public money to promote ‘unbalanced, one-sided and misleading’ material.

The HOCCHG report also presents evidence of the structural resource and information asymmetries built into the stock transfer process. ‘A council will typically spend around £500,000 to promote a large-scale stock transfer’³⁷. The anti-transfer campaigns are not allowed access to public funds and so are reliant on fundraising and donations, usually from local trade union branches. A second asymmetry concerns access to the addresses of those homes that are covered by the proposed transfer. Initially, anti-transfer campaigners were not allowed access to the addresses. This presented an obvious hurdle in delivering anti-transfer publicity to the relevant tenants. However two cases³⁸ brought under the Freedom of Information Act eventually set the precedent that anti-transfer campaigners were allowed access to the addresses.

In 1998 *Defend Council Housing* (DCH) campaign was formed, by groups of activists who had been fighting local campaigns. The catalysts for DCH’s formation were twofold. Firstly, the election of the New Labour government the year before and their adoption of stock transfer as the key plank of their social housing policy. This represented a major U-turn

³³Quoted in Ginsburg (1989)

³⁴Foot, P. (2005), *The Vote: How it was won and how it was undermined*, London, Viking Penguin Group.

³⁵ House of Commons Council Housing Group (HOCCHG) (2009), *Council Housing: Time to Invest*, House of Commons, London.

³⁶Op. Cit. (HOCCHG, 2009: 49)

³⁷As above. HOCCHG (2009: 49)

³⁸Braintree District Council, 2007 and Mid-Devon District Council, 2006

from their pre-election position of opposition to LSVTs, when Gordon Brown had commented:

Tenants have to fill in a ballot form, but there's only one candidate on the list. This sounds more like a medieval dictatorship than democracy³⁹.

The new government talked of an end to council housing within a decade⁴⁰ by setting a target of transferring 200,000 homes per annum⁴¹. Secondly, this policy led the local tenant activists to realise that they also needed to challenge the transfer policy at a national level. As Eileen Short, Chair of DCH explains:

... we always say we fight locally and nationally. Locally we fight against privatisation, so that's where the campaign has its roots, that's where we started fighting privatisation in local areas, but we soon realised that we needed to compare notes with other people and learn lessons. And that we also needed, if we weren't going to be worn into the ground just by an endless succession of privatisation campaigns, we needed to push ... nationally. We needed to push and demand fair financing for council housing, because that's the only way to shut the door against privatisation⁴².

Since its formation DCH has built a broad-based campaign that uses a variety of tactics to oppose stock transfers and advance a case in support of the 'Fourth Option' of direct investment in local authority maintained housing stock⁴³. The broad-based nature of the campaign has tenants at its centre but also unites with local councillors, MPs and trade unions (at both local and national levels). In addition, the 'DCH Constitution also provides reserved spaces for TAROE (Tenants & Residents of England), Welsh Tenants Fed, Scottish Tenants Organisation and affiliated national trade unions which currently include CWU, FBU, GMB, PCS, RMT, TSSA, UCATT, UNISON, UNITE'⁴⁴. DCH also has close links to the House of Commons Council Housing Group (HOCCHG) of back-bench MPs. In addition to supporting local grass-roots campaigns against stock transfers, DCH organises national events and campaigns including national conferences, lobbies of parliament and MPs, passing motions at union and the Labour Party conferences. The issues that DCH addresses have also broadened from a narrow focus on LSVTs to cover the financing of council housing as a whole, a critique of ALMOs and PFIs in council housing, the proposal to end life tenancies and fighting against far-right extremists' attempts to increase racial tensions on estates.

Although detailed at times, the arguments in this section are important as they have located stock transfer as the outcome of the pursuit of neoliberal policies in the council housing sector. These policies

³⁹Gordon Brown MP in 1996, Quoted in HOCCGH Report, 2005.

⁴⁰Walker, R. M. (2001), 'How to Abolish Public Housing: Implications and Lessons from Public Management Reform', *Housing Studies*, Vol. 16 No. 5, pp. 675-696.

⁴¹Pawson, H. and Mullins, D. (2010), *After Council Housing: Britains New Social Landlords*, Palgrave Macmillan, Basingstoke, Hampshire.

⁴²Eileen Short interviewed by the author, 18 March 2010

⁴³The other three options being those pursued by the government of ALMO, PFI and LSVT.

⁴⁴DCH website: http://www.defendcouncilhousing.org.uk/dch/dch_about.cfm (accessed 29 April, 2013).

have also generated opposition in the form of tenants, trade unions and others who have campaigned against stock transfers in Britain; and remarkably, given the manner in which the process is stacked in favour of transfer, have on occasion stopped proposed privatisations. The next section picks up on the role of campaigners in the establishment of the NIHE, before looking at the current struggle to defend the Housing Executive's legacy.

Origins of the NIHE



A Northern Ireland Civil Rights March

The NIHE is not just the biggest public housing landlord in these islands; its formation is a key legacy of the civil rights movement in NI (NICRA). The Housing Executive was formed in 1971 as a response to the discrimination Catholics faced in housing. For example, in June 1968 the unionist-controlled Dungannon Council allocated a house in the Caledon area of town, to a single 19-year-old Protestant woman who had connections with a local

Unionist politician⁴⁵.

To highlight this discrimination, a Catholic mother of three young children, occupied and then squatted a home on the same street⁴⁶. This provoked the local council to forcibly evict the young family. However, the eviction took place in clear view of news crews:

The television cameras showed horrified viewers the bailiffs breaking down the front door; the family being dragged out, Mrs Gildernew clutching her infant child; and her mother receiving cuts from broken glass⁴⁷.

The Caledon affair was not a one-off but part of the systematic discrimination faced by Catholics at the time. The British government's report (The Cameron Report) into the rioting that followed the NICRA march in Derry in October 1968 sets out a litany of housing grievances experienced by Catholics:

in Northern Ireland, in particular in Londonderry and Dungannon, in respect of (i) inadequacy of housing provision by certain local authorities (ii) unfair methods of allocation of houses built and let by such authorities, in particular; refusals and omissions to adopt a 'points' system in determining priorities and making allocations (iii) misuse in certain cases of discretionary powers of

⁴⁵Brett, C.E.B. *Housing a Divided Community*, Dublin, Institute of Public Administration, 1986, p.6.

⁴⁶The squatted house had been allocated to a catholic man, but not yet occupied. This fact is often deployed as part of the Unionist narrative that seeks to defend the Orange States housing policy of the time.

⁴⁷Brett, C.E.B. *Housing a Divided Community*, Dublin, Institute of Public Administration, 1986, p.6.

⁴⁸*Disturbances in Northern Ireland*, Report of the Commission appointed by the Governor of Northern Ireland (The Cameron Report), Chapter 16, para. 229. 1969, HMSO: Belfast. Available at: <http://cain.ulst.ac.uk/hmso/cameron2.htm#chap16> (accessed on 07/04/2013).

allocation of houses in order to perpetuate Unionist control of the local authority⁴⁸.

This was not a simple case of blatant discrimination against Catholics (although that was part of it). An important driver of the housing allocations policy was the need to protect gerrymandered electoral wards and constituencies. The results of gerrymandering were stark in the results of the 1967 elections to the Londonderry Corporation, when The Unionist Party took 32.1 per cent of the vote but that translated into 60 per cent of the seats⁴⁹. The mentality behind this process was highlighted when, ‘In 1964 the Unionist chairman of Enniskillen Housing Committee, George Elliott, argued that ‘it is only common-sense, after all, that a Unionist Council is not going to put people into houses who are going to vote against them at the next election’⁵⁰. And when, in the years after the disbanding of the city corporation, where there was a lack of direct control by the Unionist Association of Derry on housing allocations, there was an increase in sectarian attacks on Catholic families living in protestant areas⁵¹. The roots of the late 1960s housing campaigns in part lay in the post-war housing policy of the Westminster government.

The post-war Labour government embarked on a massive programme of council house building. Under the leadership of Labour left minister Nye Bevan, the vision for council housing was one of a universal service, like the newly cre-

ated NHS. In Northern Ireland that meant the building of 100,000 new homes⁵² with half to be built by local authorities, a quarter through government subsidies to the private sector and a quarter by the newly formed Northern Ireland Housing Trust (NIHT). From the perspective of the Unionist state the local authorities could be trusted to maintain the existing status quo, as would any housing built by the private sector. However, the NIHT had a mandate to allocate housing on a priority needs basis. Because of this its actual powers of development (e.g. over planning decisions) were very limited, effectively giving the NIHT an auxiliary role to the local authorities⁵³.

This post-war building programme was significant though as illustrated by the housing position in Derry. Up to the late 1940s there was little public housing in the city, most working class people lived in private-rented accommodation. In the main, this housing stock was built in 19th century and had been poorly maintained; and due to the lack of newly built stock there was a huge over-crowding problem. ‘Overcrowding was so severe that when the American Army vacated its camp at Springtown after the War, three hundred families from the Bogside immediately moved in as squatters. The Corporation took over the running of the camp and administered it until 1967’⁵⁴. The Unionist controlled Londonderry Corporation needed to maintain political control with two slim majorities in the North and

⁴⁹O’Dochartaigh, N. *From Civil Rights to Armalites: Derry and the Birth of the Irish Troubles*, 2nd edition, Basingstoke, Palgrave Macmillan, 2005, p. xiv.

⁵⁰Mulholland, M. *The Longest War: Northern Ireland’s Troubled History*, Oxford, Oxford University Press, 2002, p. 50.

⁵¹O’Dochartaigh, N. *From Civil Rights to Armalites: Derry and the Birth of the Irish Troubles*, 2nd edition, Basingstoke, Palgrave Macmillan, 2005.

⁵²O’Dochartaigh, N ‘The Politics of Housing; Social Change and Collective Action in Derry in the 1960s’ in *Derry and Londonderry: History and Society*. Dublin: Geography Publications, 1999.

⁵³Ibid.

⁵⁴As above.

Waterside wards; thus housing development was kept under Corporation control in those wards. This left the NIHT free to build in the South ward where there was already a Catholic majority. It was on the basis of this policy that the Creggan was built; starting with a new NIHT estate of 537 homes in 1946⁵⁵ and reaching 1,800 homes and 15,000 people by the late 1960s⁵⁶. The new estate had just two landlords (the Corporation and the NIHT), as opposed to other working class areas of Derry such as the Bogside with multiple private landlords. This gave a simple target on which to organise collective housing struggles; and so it was no surprise that the first tenants' association in Derry was founded on the Creggan estate in 1967.

A final local factor was the reaction of the Londonderry Corporation to a growing local population, the gerrymandering of local wards and the running out of development land for the NIHT in the South ward. The staunchly conservative Unionist majority on the Corporation sought to maintain the status quo at almost any price⁵⁷; this included not building any public housing in 1967 when there were 1,400 families on the city's waiting list⁵⁸. This final factor meant that by the time the Derry Housing Action Committee (DHAC) was formed in 1968, there was a general acceptance amongst the Catholic population that the Corporation was the source of their housing problems.

The first high profile actions of the DHAC was the occupation of the public gallery during the March meeting of the

Londonderry Corporation, leading to the meeting being abandoned. The DHAC targeted the Corporation meetings throughout the rest of the year. However, this was not all they did as Eamonn McCann outlines:

We began squatting people in empty houses, of which there were a considerable number in the area, in each case issuing a statement that we would 'physically resist' any attempt to evict the family involved. Private landlords charging exorbitant rents were picketed. The local office of the Northern Ireland Housing Trust was subjected to a daily barrage of phone calls and personal visits about the case of individuals and families on the housing list. We confronted landlords and officials with more aggression than they had ever met before.⁵⁹

As these activities were developing in Derry, NICRA organised its first civil rights march, from Coalisland to Dunganon, in August 1968 to highlight the housing discrimination in the Caledon affair. Following this march, DHAC invited NICRA to organise a march in Derry. DHAC had been trying to hold a march that finished inside the city walls. This was seen as symbolically important as the last non-Unionist march that attempted to do so was a St Patrick's Day parade in 1952

⁵⁵NIHT, 1st annual report, 1945/46.

⁵⁶O' Dochartaigh, N 'The Politics of Housing; Social Change and Collective Action in Derry in the 1960s' in *Derry and Londonderry: History and Society*. Dublin: Geography Publications, 1999.

⁵⁷For example, it is reported that local Unionist politicians lobbied and ultimately blocked the locating of a second university for Northern Ireland in the city, on the basis of the potential destabilising impact a large student population would have on the electoral map of the city (O'Dochartaigh, 1999).

⁵⁸O' Dochartaigh, N 'The Politics of Housing; Social Change and Collective Action in Derry in the 1960s' in *Derry and Londonderry: History and Society*. Dublin: Geography Publications, 1999

⁵⁹McCann, E. *War and an Irish Town*, 3rd edn. Pluto Press, London, 1993, p. 88.

that was baton-charged and beaten off the streets by the RUC. The NICRA march in Derry took place on 5 October, 1968; where it was attacked by the RUC in the same way as the 1952 parade. However, this time it led to three days of rioting.

There was a wider perspective to the actions of those in the DHAC; they were drawn from the left of the NI Labour Party, the left in the Republican Clubs and other non-aligned leftists. Their actions were informed by a perspective of making 'the connection between the political system and bad housing, unemployment and the negation of democracy'⁶⁰. In the Northern Ireland context, this new political perspective contrasted with that of the local Nationalist establishment, where at an election rally of Eddie McAteer, Nationalist party candidate, a local businessman shouted 'We don't want their jobs and houses ... We want our freedom'⁶¹, to the cheers of those present. The strength of the DHAC was not only that it took on real, concrete issues but also that it gave people something to do, rather than abstract sloganising. This combination led to a significant number of successes both for individual families and tenants as a whole.

It should also be stated that poor housing was, and continues to be, an issue affecting working class Protestants. Probably inspired by the successes, and certainly with a reactive element, the Derry Young Unionists formed the Londonderry Young Unionist Housing Action Committee (YUHAC) in early 1969. The YUHAC went beyond sectarian concerns over housing allocations, (which claimed Catholics were being allocated housing on Protestant

estates on the West Bank of the Foyle) when they announced '...that they aimed to get landlords in the city to reduce rents in poor housing and to improve the upkeep of properties'⁶². However, when the YUHAC employed similar tactics, they did not get the same level of popular support, as DHAC had; due in the main to the class position that many of the local Unionist leaders held as landlords in the city. The outcome of which was illustrated by a squatting exercise the YUHAC organised in the Fountain area of Derry in July 1969. Six protestant families squatted empty houses, half of them due to sectarian threats, but the other half was due to living in poor and/or overly expensive accommodation. O'Dochartaigh explains: 'In the summer of 1969, there was little reaction in the Fountain as the squatters were visited by the owners of the houses and, despite the fact some of them were 'refugees' from 'rebellion', were taken to court, found guilty and fined'⁶³.

The rioting that followed the civil rights march in Derry in October 1968 is seen as the starting point for the Northern Ireland troubles⁶⁴. In terms of public housing there is a direct connection between those riots and the DHAC activities that led up to them, the Cameron Report and the establishment of the NIHE. The final link is often portrayed as the result of an enlightened intervention by the British Home Secretary, Labour MP, James Callaghan. In the days after the rioting in Belfast in August 1969, when the NI Prime Minister Chichester-Clarke appealed for the British troops to be sent in, Callaghan had proposed a single hous-

⁶⁰As above, p.87.

⁶¹As above, p.82.

⁶²O'Dochartaigh, N. *From Civil Rights to Armalites: Derry and the Birth of the Irish Troubles*, 2nd edition, Basingstoke, Palgrave Macmillan, 2005, p.81.

⁶³O'Dochartaigh, N. *From Civil Rights to Armalites: Derry and the Birth of the Irish Troubles*, 2nd edition, Basingstoke, Palgrave Macmillan, 2005, p.82.

⁶⁴McCann, E. (1993)

ing authority with a single points allocation system. It is reported that the Stormont Cabinet 'regarded the idea with near horror on political and administrative grounds'⁶⁵. However, the ideas of both a single unified points scheme for allocations and a single all-purpose public housing authority had been NI Labour Party policy from 1956 and 1964 respectively⁶⁶. Even more important, it was the actions of the DHAC, civil rights campaigners and those rioting throughout 1968 and 1969 that created enough political pressure to force the Unionist state to accede to the creation of the NI Housing Executive, at the end of February 1971.

The NIHE has made real improvements to the condition of the housing stock. One of the first actions of the newly formed body was to carry out a stock condition survey. They found that in 1974, 1 in 5 properties was unfit for human habitation or in need of major renovations. Over the next thirteen years this figure was to drop to 1 in 12.⁶⁷ A significant factor allowing these improvements has been its structure as a single unified landlord serving the housing needs of both communities. This coupled with the highly contentious history of housing in NI has meant that the NIHE has survived the neoliberal reforms better than the equivalent council housing in Britain. There have been reforms such as the introduction of the Housing Executive's House Sales Scheme in 1979⁶⁸ and in 1995 the NIHE was prohibited from developing new housing, with the funding

handed-over to housing associations. The aim of this policy change was to develop the HA sector but this has largely failed to deliver on the scale needed. Even after eighteen years the next biggest social landlord after the NIHE has a holding of less than 5,000 units. Further the level of housing completions in 2009 in the HA sector in NI, while an eight year high, was less than half the level the NIHE had completed in 1985.⁶⁹ Overall, public funding for social housing has also followed a similar pattern to other jurisdictions; in 1985/86 the net public investment in housing in NI was £226 million. Over the next twenty five years this fell to a low of £78 million in 2002/03 before reaching a high again of £269 million in 2008/09⁷⁰. With the current proposal to transfer the NIHE stock McCausland is trying to catch-up with housing policy in Britain which has been a charter for the benefit of privateers and finance capital at the expense of decent affordable housing for poor and working people.

The current struggle

As shown above, tenants and campaigners were central to the creation of the NIHE and to opposing the neoliberalisation of council housing in Britain. There has already been evidence of a willingness to fight the privatisation proposals in NI. In January, NIPSA organised protests outside NIHE office across Northern Ireland including 300 in Belfast. Also, Strabane

⁶⁵James Callaghan quoted in Brett, C.E.B. *Housing a Divided Community*, Dublin, Institute of Public Administration, 1986, p.10.

⁶⁶James Callaghan quoted in Brett, C.E.B. *Housing a Divided Community*, Dublin, Institute of Public Administration, 1986, p.9-10.

⁶⁷NIHE (1991: 74).

⁶⁸A year before the Right-to-buy policy was introduced by the Conservative government in Britain.

⁶⁹Pawson and Wilcox (2011: Table 19j)

⁷⁰Pawson and Wilcox (2011), Table 88 (these are actual figures without taking inflation into account).

⁷¹'Council criticises plans to split NIHE', *Inside Housing*, 22 March 2013. Available at: <http://www.insidehousing.co.uk/regulation/council-criticises-plans-to-split-nihe/6526250.article>

District Council and Belfast City Council⁷¹ have voted to oppose the privatisation. Across Britain, March and April saw tenants and others protesting against the Bedroom Tax. Two protest meetings organised by the People Before Profit Alliance and entitled 'Hands off our Homes' were held in Belfast and Derry in March, drawing 20 and 30 people respectively and importantly included trade union speakers. Although modest these meetings are important starts and can lead to a campaign that can stop both the Bedroom Tax and privatisation of the NIHE. Joint campaigns of trade unions and tenants stopped council houses being privatised in Birmingham (2002) and Edinburgh (2005). The key to these successful campaigns is to unite tenants and trade unions and take the fight onto the estates; as the Birmingham DCH explained:

We managed to build a campaign that combined the best of both worlds—well rooted tenants, many with trade union backgrounds, complemented by trade union branches well versed in campaigning.

We based our campaign on the streets, or more accurately on the estates. In the two years we held over 30 estate-based meetings (many pensioners would not travel into town for a meeting) attracting well over 1,000 tenants.⁷²

If McCausland, the NI Executive and HM Treasury are serious about this proposal they will throw huge amounts of money and resources at it. For example, Neath Port Talbot council had a budget

of £9 million to transfer just 9,000 homes; while Birmingham spent £36 million in 2002⁷³. This will result in glossy brochures delivered to all tenants, tenant consultation meetings held in plush hotels with free transport, DVDs containing celebrity endorsements, heavily branded road-shows and even show houses showing tenants what the new bathrooms, kitchens, windows, roofs etc. will look like. Hands off our Homes and other campaigns will not get access to any public funding and will have a battle to get the addresses of NIHE properties. This is why stock transfer campaigns have been described as a David and Goliath battle; but one that can be won.



Trade Unions

Trade unions can play a key role, firstly in funding publicity materials and campaign activities. Secondly, campaigning amongst their members to oppose the transfer - this happened in the Birmingham and Edinburgh cases, but in scores of others the trade unions have played a minimal or no role in the anti-transfer campaign. Trade unions can often be split between implementing their stated policy position and 'protecting' their members locally. So it is typical to find that Unison, which has a national policy of outright opposition to stock transfers, at a regional level will support a local anti-transfer campaign but the local branch whose members are going to be transferred to the new HA will

⁷²'How We Beat the Bankers', *Socialist Review*, May 2002. Available at: <http://pubs.socialistreviewindex.org.uk/sr263/birmingham.htm>

⁷³As Above.

not want to rock the boat with the management; and will often buy into the pro-privatisation propaganda that transfer is the only option and only way to protect jobs.

In Northern Ireland, NIPSA has published a strong statement opposing the break-up of the NIHE and followed this with lunchtime protests in January⁷⁴. The statement also argues that McCausland should scrap the plan to privatise the housing stock and instead concentrate his efforts on persuading the Treasury and the ONS to bring their definition of what counts as a public body in line with the rest of Europe, where bodies like the Housing Executive, would be allowed to borrow. After all, if NI Executive members are willing to try to change the Westminster policy on corporation tax rates, they should do the same for the 90,000 tenants of the NIHE, keep them safe in their homes and fund the improvements from publicly raised funds.

Conclusion - housing struggles in NI today

Although not the main focus of this article, the bedroom tax cannot be ignored or left the Sinn Fein to oppose through political machination at Stormont. Therefore a twin-pronged campaign is needed, as DCH in Britain has done at times (for example by linking the fight against the fascists with campaigning against the bedroom tax). Drawing on the experience of DCH and the tradition of socialist politics more broadly, the tactic of the united front is an appropriate response to the defence of public housing in NI. Central to any successful united front campaign is unit-

ing both NIHE tenants and trade unionists as Birmingham DCH did in 2002. NIPSA members have already spoken at Hands off our Homes (HOOH) meetings but support can be garnered from other trade unions as well⁷⁵. The HOOH campaign has a number of immediate tasks. First, pressure must be put on Stormont parties, especially SF to ensure the Bedroom Tax is not introduced in NI. Second, the campaign must win the argument that tenants are consulted in the form of a ballot about changing their landlord. This right was originally won by tenants in late 1980s. It has now become best practice and a requirement for LSVTs in Britain; and has been granted to tenants in stock transfers in NI. Further, the ballot should be of all tenants across NI at the same time. There is a better chance of winning one big ballot rather than five separate ones where McCausland can gerrymander the tenants. Third, there is a very practical need to request the addresses (not the names) of the Housing Executive properties. Based on the experience in England and Wales this will take months to achieve despite the precedents being set.

As the timing of McCausland's NIHE privatisation announcement illustrates, politicians in Northern Ireland are happy to use sectarianism defend to their own positions and/or deflect attention away from contentious policies. In the case of the Housing Executive privatisation this is a difficult (although not impossible) task, due in part to the track-record of housing improvements which is widely recognised in both communities. Also, McCausland's proposals are an attack on working class housing as a whole; it therefore provides a basis for uniting both protes-

⁷⁴Derry protest over plans to axe Housing Executive', *Derry Journal*, 15 January 2013. Available at: <http://www.derryjournal.com/news/derry-protest-over-plans-to-axe-housing-executive-1-4683992>

⁷⁵See the list of DCH supporters stated earlier.

tant and catholic workers and tenants in a campaign to defend public housing. These facts have not stopped attempts to play the sectarian card by some politicians. For example, when NIPSA representatives attended the Social Development committee at Stormont to provide evidence about the proposed privatisation⁷⁶, Gregory Campbell (DUP) raised the recruitment policies and religious make-up of the Housing Executive's workforce. In the exchanges that followed, the NIPSA representatives rejected this sectarian analysis and Campbell was forced to admit he had no issue with discrimination in the service delivery. In other words the NIHE has provided a service to both communities on an equitable basis and there is no evidence of discrimination in employment selection practices. Rather, the issue has been a lack of applications for jobs at the NIHE from Protestant workers.

Again the experience of DCH is relevant here. The local campaigns across Britain have united tenants from different ethnic and cultural backgrounds. Further when far-right extremists and fascists have tried to use the lack of decent, affordable housing to increase racism on council estates, DCH and anti-racist campaigns have successfully resisted these actions by campaigning on housing issues that affect all tenants (such as welfare and spending cuts).

Finally, the current attacks on public housing are part of a longer term structural issue of working class housing in capitalist society. Over 120 years ago Marx's collaborator Frederick Engels⁷⁷ engaged in a sharp polemic with bourgeois and reformist housing advocates. He argued that

when addressing the housing problem capitalists retreated into idealism, in that they thought that each worker could become their own little capitalist by owning their own home. This logic can never come to fruition as capitalism needs a propertyless class, '...a class which has nothing to sell but its labour power and which is compelled to sell its labour power to the industrial capitalists'⁷⁸. The reformists of the time argued that the problem was modern industrial capitalism which had created the towns and cities where workers lived in appalling conditions. Their response was to argue for a turning back of the clock and the reinstatement of the old craft relations of production, where a working family could support itself from their own domestic labour. Engels rightly pours scorn on these ideas: 'The English proletarian of 1872 is on an infinitely higher level than the rural weaver of 1772 with his 'hearth and home'.⁷⁹

Today pro-capitalist and reformist housing advocates remain committed to the primacy of owner occupation and market-based relations in housing. In these circumstances it is an absolute necessity for socialists to defend the provision of public housing by the state. This defence can be enhanced by moving beyond the current structures and arguing for models of public housing based on further democratisation, improved design, adequate funding and real participation form tenants, communities and trade unions. However, the lessons from Marx and Engels are clear; the only way to solve the housing crisis is to remove the social relations that generate class society. As long as capitalism continues homelessness, poor

⁷⁶Video of the appearance is available at: www.bbc.co.uk/democracylive/northern-ireland-21518507

⁷⁷'The Housing Problem' Frederick Engels, Progress Publishing, Moscow, 1970.

⁷⁸As above, p.40

⁷⁹As above, p.23

housing conditions and overcrowding will exist. Equally the fight for decent affordable housing for all in our society can only be won by transcending the strictures of capitalism. It will take a united fight from

both protestant and catholic workers to solve the housing problem, undermine sectarianism and lay the basis for a society that prioritises human need in place of profit.