Glasgow tenants vote to sell off council housing

GLASGOW TENANTS paved the way yesterday for the biggest shake-up of public housing in Britain by voting to transfer the city's 83,000 council homes to a housing association.

In a bitterly fought ballot, 58 per cent of tenants agreed that the Glasgow Housing Association (GHA) should take control of the city council's entire stock.

The result was closer than expected, with 29,338 tenants, or 42 per cent, voting to remain in municipal hands, compared with the 29,126 who backed the transfer plan. Turn-out in the postal ballot was 64 per cent.

Leaders of Glasgow City Council and the Scottish Executive hailed the 8,290 majority as a mandate for change and the only way to upgrade some of Britain's worst slums.

Iain Gray, the Social Justice Minister, said: "The GHA, over the next 11 years, will transform crumbling dump houses into attractive modern homes and many new houses will be built to replace those that will be demolished.

"The arguments against stock transfer still stand and other councils have taken different attitudes towards the issue, he said. "This is not a one-size-fits-all solution. The Executive has to take into account the substantial opposition to this policy and change their dogmatic approach."

Councils in Dumfries and Galloway, Fife, Ayrshire,Renfrewshire and the Borders, have all rejected the idea of stock transfer. The GHA is the third council to put the idea to tenants after the housing associations of South Ayrshire and East Renfrewshire.

The GHA plans to sell its assets to itself for £330m and build 3,000 homes a year for four years. It will then earn £1.8bn from the sale of its assets to take over the £4bn debt of the Glasgow council's housing association.

"This is a clear-cut result which will accelerate the regeneration of Glasgow and bring in £1.8bn of much-needed investment," said Councillor Charlie Gordon, Glasgow's civic leader.

But the Treasury said it would write off the council's historic debt if tenants voted to be taken over by a not-for-profit, social landlord.

Under the transfer plan, the GHA will spend £330m on repairs over 10 years and embark on the demolition of 11,000 properties. Existing tenants have been given an eight-year guarantee that rents will rise by no more than inflation plus 1 percentage point.

Ministers say the transfer will act as a catalyst for the social and economic regeneration of some of the most unhealthy and deprived areas of Europe.

Mr Gray said: "Tenants can now look forward to the wood that is to come, the high-quality council homes, the new houses that will be built and the improvements that will be made to the city's housing association, with the GHA's investment programme in the city's future is under way."

The transfer of council houses to housing associations is expected to be completed by 2008.