

Right-wing think tank calls for sale of UK council housing

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Downing Street has endorsed a proposal by the right-wing think tank Policy Exchange that empty council housing in Central London should be sold on to the private sector, despite criticisms that the move would force the poorest and most vulnerable into ghettos.

Policy Exchange's report was given extensive media coverage. It plays a key role in defending neo-colonial policies of pre-emptive war and providing arguments for the privatisation of health and education. (See, "Who and What is the Policy Exchange Think Tank?") Its latest statement, "Ending Expensive Social Tenancies: Fairness, higher growth and more homes", speaks directly for landowners, developers and property speculators—and a wealthy layer who do not want to rub shoulders with the *hoi polloi*.

In a statement to the press, the group claimed that selling off empty and expensive council homes would raise £4.5 billion a year. It did not outline where this money would go, or offer reassurances that the money would indeed be spent on new housing. It says only that the money "could be" used for building, and "should allow" 80-170,000 new homes each year.

The National Housing Federation warned that the move would amount to social cleansing, turning London into a city exclusively for the rich and moving poorer families out to the peripheries where it is cheaper to house them.

Conservative Housing Minister Grant Shapps called the proposal "blindingly obvious".

The group insists London alone is sitting on £70 billion in social housing. A transfer to private ownership would mean expensive market rents in line for the new buyers, and high profits for the landlords.

Margaret Thatcher's "Right to Buy" scheme altered the housing market by transferring publicly owned property into private hands, pushing up rents. This current proposal will benefit landlords who are able to buy out the

expensive property.

Policy Exchange suggests that moving residents out of expensive areas would be doing them a favour by cutting their living costs and that ending "expensive" social housing will act as an equaliser! Social tenants might not have their first choice of home, but neither do many others, it states. The implication is that it is better for some to do without because it is more equal.

The report's author, Alex Morton, who cut his teeth as the Conservative Party's secretary to the Globalisation and Global Poverty Police group under Peter Lilley MP, commented to the BBC, "Expensive social housing is costly, unpopular and unfair. That is why almost everybody rejects it."

Social housing tenants deserve a roof over their heads, but not one better than most people can afford, particularly as expensive social housing means less social housing and so longer waiting lists for most people in need".

Morton counts on highly publicised press reports about isolated cases of families living in outlandish housing, which are used by the right wing media to demonise the poor. The figures he cites to demonstrate that "almost everybody" rejects expensive social housing are from MORI and YouGov surveys. These found Conservative, Labour and Liberal voters strongly agreed that "people should not be offered council houses that are worth more than the average house in the local authority," and that "People should not be offered council housing in expensive areas by social class, housing tenure and region".

Slanted questions such as these are designed to pit working people against each other. In reality, the issue pales in comparison to rising living costs, rents, and high

unemployment that the majority of the population has to endure while salaries go down.

The real thinking of politicians who value property, not people, was laid bare by the threatened displacement of families on Housing Benefit to areas hundreds of miles from their homes. When it was revealed that Newham council, in east London, had approached housing associations in the Midlands for tenants on Housing Benefit, Work and Pensions Secretary Iain Duncan Smith claimed, falsely, there were thousands of houses within five miles of Newham to which families could move. In this report Policy Exchange now states openly that it believes that 30 miles is a more reasonable distance.

Policy Exchange claims to be an “educational charity”. It is a pro-free market lobbying group with close ties to big business and government, with an agenda that benefits the rich and excludes the poor. It claims to be a leading researcher on social mobility, but the only mobility resulting from these proposals would be exiling the working class from London.

Among Policy Exchange’s alumni is Conservative MP Michael Gove, Secretary of State for Education. Deputy chairman of the board, Richard Ehrman, was a government special adviser in the Employment Department and the Northern Ireland Office during the 1980s and later worked as chief leader writer for the *Daily Telegraph*. He has extensive commercial property interests. One of his companies, Baylight, specialises in the private development of London properties for commercial and mixed use. Baylight has announced that it is looking for “sites and buildings in commercial use to buy and develop, particularly when living and working might come together”.

Treasurer Andrew Sells was chairman of property company, Linden Homes, for 16 years until it was sold in 2007 for £300 million to the Galliford Try Group. Baroness Patience Wheatcroft, a Conservative life peer, is a non-executive director of Shaftesbury PLC, a real estate investment trust.

Sian Hansen, Policy Exchange’s MD, is an investment banker and currently a director at Ludgate Environmental Fund. Prior to this she worked at European investment bank Société Générale and Nordic investment bank SEB Enskilda. Policy Exchange’s director, Neil O’Brien, used to be the director of Open Europe, a think-tank pledged to defend British interests, encourage “renegotiation” of European Union treaties and promote free market ideals.

Chairman of the board is Daniel Finkelstein, chief leader writer of News International’s *The Times*. Finkelstein served as an adviser to former Conservative Prime Minister John Major and more recently, William Hague. He unsuccessfully ran as Conservative parliamentary candidate for Harrow West in 2001.

David Skelton, Policy Exchange’s deputy director and head of research, was another Conservative hopeful. He ran for a seat in North Durham in 2010, having previously worked under William Hague.

Trustee Theodore Agnew is a non-executive director of Jubilee Managing Agency Ltd, which offers insurance for speciality property around the world. Richard Briance is an investment banker and was working on extending the Edmond de Rothschild empire’s UK operations. Simon Brocklebank-Fowler is the head of Conservative Party donor and corporate communications firm Cubitt Consulting. Fowler stood as Tory candidate for Stockton North in 1992 and was a Tory member of Westminster City Council.

Trustee and *Daily Mail* political commentator Edward Heathcoat Amory has “blue blood”, being a descendant of the Heathcoat-Amory Baronetcy of Knightshayes Court, Tiverton, Devon, and is the son of the ex-Conservative MP for Wells, David Philip Heathcoat-Amory. David Maller is on the executive board of Conservative Friends of Israel, while George Robinson, a hedge fund manager, donated £250,000 to the Tory party. Robert Rosenkranz is CEO of Delphi Financial Group, an insurance holding company with billions in assets. Tim Steel is on the board of Cazenove Group, the company which acts as stockbroker to the Queen. Rachel Whetstone is global head of communications and public policy for Google. She is married to the former director of strategy for David Cameron, Steve Hilton. Simon Wolfson is the chief executive of clothing retailer Next, a conservative life peer and a donor to David Cameron’s 2005 leadership election.



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