

Unresolved problems

Like many registered social landlords, CHISEL is committed to low rents, to the extent that our business plan identifies rent decreases as a priority for use of any additional funds that become available to us in the future. Therefore, we welcome the Green Paper's proposals on rent levels (*Housing Today*, 6 April). However, in common with a number of other associations, we have problems which it simply fails to address.

First, because we are controlled by our tenants, we cannot have charitable status and are therefore liable for corporation tax. Following the decision to phase out grant relief, we bear an increasingly heavy burden and estimate that, over the life of our mortgages, this will add £3.20 a week to each tenant's rent. Exemption of all social landlords from corporation tax would end a situation where associations will have to choose between tenant control and low rents.

Secondly, all our properties were developed post 1988 and therefore, regardless of how efficiently we operate, our rents cannot be as low as those of associations able to cross-subsidise.

Thirdly, we are concerned that, by using capital value as part of the formula for calculating individual rents, we will create unrealistic rent differentials between properties in cheaper areas and properties in some of the increasingly gentrified areas in which we operate. And will we be obliged to revise rent levels every time new areas of London become accessible to the city? This hardly seems like a blueprint for providing affordable housing for essential workers. We suggest using rebuilding costs, already used for property insurance, rather than capital value.

Finally, we would suggest that, if the government wants to narrow the gap between local authority and RSL rents, it should also narrow the gap between costs and enable RSLs to recover their VAT.

We would also welcome a means of redistributing wealth within the sector, just as income tax does in society at large. Requiring all RSLs to invest post loan repayment surpluses in development or have them taxed, with the proceeds absorbed into the



Livingstone: would he turn back the housing clock if he wins today's mayoral election in London? See letter below.

ADP, would compensate the Treasury for loss of income from corporation tax and VAT.

Jo Hillier
Company secretary
Chisel Ltd

The mayor's role

I am sure we should all be happy that housing has moved up the political agenda. There is now a real debate at national and local level. The recent Green Paper, statements about planning and the use of brownfield sites have all highlighted the national debate. The election of a mayor in London is also an important point for housing. There has been considerable discussion about key workers but there is a negative element in the debate which we should point out.

In case some of your readers take a more romantic rose-tinted view of Ken Livingstone's campaign, Ken would like to turn the housing clock back and ensure that there was more control at a municipal level and more municipal housing. He regrets the involvement of housing associations and is severely critical of the role of the Housing Corporation. In reality, the role of mayor will not be dealing directly with housing issues, but through planning legislation, influence and others matters could

affect the development of housing in London.

We know that tenants in London are desperate for their houses to be improved and would like some choice and the ability to say yes or no to ourselves and new solutions. An approach that tries to exclude anything but municipal housing will ultimately mean a return to what some of us remember the GLC for – the GLC housing estates. The GLC may have had many successes but we know how tenants felt about them and how we are picking up the pieces now. We believe in partnership with councils and do not want to see a return to what has caused so much pain and suffering for tenants.

Anthony Kendall
Chair, Newlon housing group

We're still waiting

I refer to your article on the London mayoral candidates' manifestos (*Housing Today*, 20 April) and it is quite interesting to note that Louise Casey, the Anti-soup Czarist, is prepared to work with "anyone, anywhere, of any political persuasion or from any business or voluntary organisation".

I have written to Louise Casey and her office six times. To date, I have not been given the opportunity to meet

with her. Indeed, her first reply was that she couldn't meet with anyone.

Our concern is the effect of street homelessness, and its impact within the next five years, specifically on the black and ethnic minorities. We have met with all candidates to ensure that ethnic minorities issues are placed high on the agenda.

R Moodley
Refugee and Migrants housing forum

A good precedent

Just as TPAS was one of those bodies concerned that tenants got a real say in Birmingham's transfer plans (*Housing Today* 9 and 16 March), can I be one of the first to offer praise to Birmingham city council for taking the step to appoint tenants to their housing scrutiny committee (*Housing Today*, 27 April). As TPAS has argued in our publication *Putting tenants at the heart of decision making*, tenants should be on scrutiny committees dealing with housing as a matter of right. For the new modernised local government to work decisions on services should be scrutinised by those that use their services. I hope other councils follow Birmingham's excellent lead!

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Published every Thursday

175 Gray's Inn Road, London, WC1X 8UP
Tel: 020 7843 2275 Fax: 020 7278 6570
ISSN 1365-6309
email: editor@housingtoday.org.uk

The *Housing Today* website can be found on:
www.housingtoday.org.uk

Annual subscription rates:

NHF members: £34.50; LA housing departments and other social housing providers: £36.50, voluntary organisations, individuals: £49.50; students: £34.50; professional firms, companies etc: £67.50; overseas: £116



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Advertising copy and artwork should be sent to *Housing Today*, CHA Media Sales, 4th Floor, 46-47 Britton Street, London, EC1M 5UJ.

Housing Today is published by the National Housing Federation but it operates an independent editorial policy. A readers' representative provides an arbitration service in the event of complaints. *Housing Today* is printed by Centurion Press Limited, Rickmansworth, in conjunction with Headley Brothers, Ashford, Kent, and is registered with the Post Office as a newspaper.