The Glasgow Housing Transfer: a Mid-Term Evaluation

W Dennis Keating

Professor, Chair of Department of Urban Studies and Associate Dean Cleveland State University Maxine Goodman Levin College of Urban Affairs 2121 Euclid Avenue Cleveland, Ohio 44115 United States of America

> Tel: +1 (216) 687-2298 Email: dennis@urban.csuohio.edu

ABSTRACT

In April, 2002, a majority of voting tenants in Glasgow's more than 80,000 housing units approved their transfer to a newly-formed Glasgow Housing Association (GHA). The transfer of council housing to private housing associations was part of a UK and Scottish Executive policy trend. The Glasgow council housing tenants were promised improved existing units, stable rents, tenant participation, and some new housing to replace much of the obsolete and substandard units to be demolished in the face of falling demand. Key features of the transfer included the assumption of the city of Glasgow's council housing debt by the UK treasury, secondary transfers within a 10-year period to both existing and also new local housing organizations (LHOs), and substantial financial support from the Scottish Executive and private lenders for improved existing housing, demolitions, new housing, and secondary transfers. The Glasgow transfer of council housing to the GHA is the largest of its kind in Western Europe. In contrast to the outcome of the Glasgow vote, subsequently, council housing tenants in Birmingham and Edinburgh, among others, rejected similar transfer proposals.

The actual transfer to the GHA occurred in March, 2003. This paper will review what has occurred over the more than four years that have passed and evaluate the extent to which the GHA has achieved its stated goals. The GHA has had to overcome numerous obstacles during these years. In addition to internal re-organization and leadership issues, there has been resistance to some of its demolition and redevelopment plans, delays in certifying local housing organizations as social landlords eligible to take over GHA projects, costs exceeding estimates, and so on. The most important problem was revealed within the past year: the lack of financing sufficient to proceed with the promised second stage transfer to the LHOs. This triggered the formation by Communities Scotland of an oversight committee to investigate this major issue, threatening to forestall this key element of the transfer plan.

The experience of Glasgow about midway through its initial transfer phase offers lessons for other proposed transformations of council housing.

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