

RETROSPECT (2): HOUSING POLICY 1961 to 2020 IN DECADES

1961 to 1971

Between 1961 and 1971 the proportion of homeowner households increased from 43% to 49%, private renting declined from 30% to 19% and local authority proportion increased from 26% to 31%.

Although started in the late 1950s, 1961 to 1971 was a time of large scale slum clearance and high-rise flats. It was a period of 'top-down', 'grand design' imposition, unfortunately producing housing units that were difficult to live in and, by the late 1970s, difficult to let (see post 1971 to 1981).

Owner-occupation

In the late 1950s, new house construction for owner-occupation exceeded local authority output. However, in 1961, Macmillan, disappointed with his government's housing performance, appointed Sir Keith Joseph as Minister for Housing and Local Government telling Joseph that 'you must (and will) recreate the spirit of 1951–54' (quoted in Denham and Garnett, 2001, p 101). Joseph adopted some radical policies such as land taxation, allowing local authorities to compulsorily purchase private rented houses in poor repair and giving local authorities the power to establish land banks at existing use value. However, his proposals met with considerable opposition from the Cabinet (see Lund, 2016) and the only policy changes Joseph was able to achieve were a new set of new town designations, the setting up of cost-rent and co-ownership societies with Treasury loans (an alternative to local government and private landlord supply) and the restoration of general needs subsidies to local government, but at a lower level than in the early 1950s. The additional local government subsidies boosted local authority house-building to 152,140 in 1964 but building for owner-occupation remained dominant. The Labour Government 1964 to 1970 built more local authority homes than the Conservatives, maintaining a balance between production by local government and houses for owner-occupation. It also introduced a Mortgage Option scheme allowing low-income households — below or just above the tax threshold — to benefit from tax relief on mortgage interest.

Clearance and high-rise

Between 1955 and 1959 213,402 houses had been demolished but, from 1960 to 1964, 303,621 houses were cleared and, from 1965 to 1969, 367,381 (Headey, 1978). Many of the displaced residents were re-

housed in high-rise flats. There is no accepted international 'high-rise' definition but, In the U.S.A., the National Fire Protection Association, based on evacuation criteria, defines a *high-rise* as about seven+ stories.

The high-rise use coincided with Conservative government decision in 1954 to concentrate local authority housing on the needs arising from slum clearance and Green Belt designations, promoted by Duncan Sandys via Circular 42/55 (MHLG, 1955), despite objections from large boroughs that were being 'fenced in'. However, there were other influences such as technological advances making it possible to build very tall blocks, the desire of some local authorities to maintain rateable value by building within their boundaries and the connections between government and the large building firms with the expertise to build high (Dunleavy, 1981).

Perhaps the most important factor was the embracement of modernism by architects. Modernism was associated with a rational approach to the function of buildings, the use of new materials and the elimination of ornament. Le Corbusier became the most influential advocate of modernism and he had a profound impact on the design of many public housing schemes in Britain. Le Corbusier (1964 [1933]) believed that houses should be 'machines for living in', incorporating 'modern' materials such as glass, steel and concrete and located in well-spaced tower blocks ('unités') providing equal access to daylight. 'Unités' should be linked by overhead roadways creating a 'Radiant City', with the space below used as recreational parkland. Many of the UK high-rise flats were bowdlerised versions of Le Corbusier's 'unités' (without the linking overhead roadways), often badly built. As Dunleavy (2017) states, the blocks were often built:

with one staircase, poor weatherproofing, ill-fitting internal doors, high heating costs and tiny lifts that could not take furniture or even coffins. Children were increasingly marooned in higher storey flats.

Tower blocks have received the most consideration in the post-mortems on the 'mass housing' era but there were other unsuccessful, experiments in urban design. Peter and Alison Smithson, having declared gardens as unnecessary and that 'Folk-build is dead in England' (quoted in Kynaston, 2009, p 280), attacked high-rises as being too obsessed by light, greenery and air. They designed Robin Hood Gardens in Poplar, London, to replicate the 'terraced house community', but stacked in storeys and linked by 'streets in the sky' – a design repeated in Sheffield's Park Hill flats. Later, Peter Smithson blamed his scheme's inhabitants for its problems, saying that he had 'imagined council tenants to be people with similar backgrounds to his own – the optimistic, ambitious, skilled working class' (quoted in Harwood and Powers, 2008, p 11). 'Low-rise', 'deck access', 'slab' flat blocks and maisonettes become common despite yet ample survey evidence revealing that people did not

want flats, high or low. Between 1945 and 1950, 10.5% of the accommodation constructed by local authorities was in flats, by 1966–70, it was 50.6%, rising to 90% in inner cities. Nonetheless, the reintroduction of ‘general needs’ subsidies by the Conservatives in 1961 and the boosting of such subsidies by Labour produced many homes *on* ‘peripheral’ estates outside inner cities both to accommodate clearance overspill and to house families from the waiting lists. Some of these estates contained blocks of flats but many took the form of semi-detached properties with decent-sized gardens. Some estates *were* designed on ‘Radburn’ principles, keeping vehicle access separate from the houses and including garage blocks remotely located from the accommodation. The good housing space standards recommended by the Parker Morris Committee in 1961 were increasingly applied in these peripheral estates (as they were in flats) and in 1969, they became mandatory.

Private Landlords

The Labour Party’s 1964 manifesto stated:

Under the Tories, the relentless pressure of decontrolled rents, Rachmanism, high interest rates and soaring land prices have pushed housing and flats beyond the reach of many ordinary families and have condemned yet another generation to squalid and over-crowded housing.

It promised to ‘repeal the notorious Rent Act, end further decontrol and restore security of tenure to those in already decontrolled rented flats and houses’ and ‘provide machinery for settling rents on a fair basis’.

Labour acted quickly to mitigate the impact of the 1957 Rent by making it a criminal offence to evict a tenant without a court order. Further action followed the Milner Holland Commission on Housing in Greater London (1965), an investigation set up by the Conservatives in 1963. The Milner Holland Commission found that, despite rogue landlords, tenant–landlord relationships were generally satisfactory but there was a severe shortage of rented accommodation in London and it was necessary for rents to be regulated.

The Rent Act 1965 introduced the ‘fair rent’ idea. Rent officers would be appointed to determine a rent for a regulated property having disregarded the improvements and repairs attributable to the tenant. It was to be assumed that the number of persons seeking to become tenants of similar dwelling houses in a locality was not substantially greater than the number of such dwelling houses in that locality available for letting, that is, so-called ‘scarcity value’ was to be ignored. Appeal could be made to a Rent Assessment Committee. David Donnison (1967, p 226), one of the architects of the 1965 Act, commented:

Unlike rent control ... rent regulation is designed to recreate a market in which the overall pattern of prices responds to changes in supply and demand, while the local impact of severe and abnormal scarcities is kept within bounds.

Indeed, under the 1965 Act, the tendency was for private sector rents to increase.

New Towns

In the 1950s the Conservatives were lukewarm on extra New Town designations and although Cumbernauld in Scotland was designated in 1955, Conservative policy was to sell the houses in existing new towns and promote voluntary agreements between sending and receiving local authorities under the 1952 Town Development Act. However, following Macmillan's demand that Joseph 'must (and will) recreate the spirit of 1951–54' a 'second wave' of new towns was designated from 1961 to 1964, followed by a 'third wave' approved by Labour from 1967 to 1970. By the late 1960s new towns housed about 1.7 million people.

Rehabilitation

The 1959 House Purchase and Housing Act, making grants for the installation of basic amenities and improving access to improvement grants made an important contribution to the improvement of older homes in the 1960s. In the late 1960s Labour's enthusiasm for flattening slums began to abate. Against a financial constraint background, the Labour government announced 'within a total of public investment at about the level it has now reached, a greater share should go to the improvement of older houses' (MHLG, 1968, p 4). The 1969 Housing Act increased grant payments, introduced a special contribution for basic amenity provision in multi-occupied dwellings, and made grants available for environmental measures in 'General Improvement Areas' (GIAs). Great reliance was placed on the 'halo' impact of area selectivity:

The effort and resources devoted to improvement provides a much better return when directed to the up grading of whole areas — the houses and the environment. People are more likely to find it worth their while to co-operate and to maintain their houses after improvement.

(MHLG, 1969, p 3)

The Land Issue

By nationalising development rights, the 1947 Town and Country Planning Act, deprived landowners of the right to develop their land. To develop land for a new use, planning permission had to be obtained from a local planning authority. A circular issued in 1955 encouraged local planning authorities to establish Green Belts and, by the early 1960s, residential land prices were increasing, prompting Sir Kieth Joseph to propose some radical policies — rejected in Cabinet — such as allowing local authorities to build-up land banks at existing use values.

Labour revisited the land issue in the 1967 Land Commission Act that made provision for a Land Commission to acquire and manage land and a 40% 'betterment levy' when planning permission was awarded. Some local authorities, fearing development in their areas, obstructed the Commission's work and, as had occurred after the 1947 Act, landowners held on to land anticipating that the Conservatives would return to government. When, in 1970, the Conservatives abolished the Land Commission, it had raised only £46 million — less than its running costs — although it was beginning to promote land release.

Labour set up the Skeffington Committee (Skeffington, 1969) to explore ways to extend public participation in planning. Labour leaders were sceptical on Skeffington's recommendations. According to Shapely (2014, p viii), 'Many including Wilson, felt that only a few interfering members of the middle class, who were hostile to Labour, really wanted participation'. However some of Skeffington's proposals were incorporated into the Conservative government's 1971 Town and Country Planning, adding to the sharp middle class elbows that were beginning to shape planning outcomes.

Outputs

In numbers terms homeownership in Great Britain increased from 6,933,000 households in 1961 to 9,427,000 in 1971 but this growth in homeownership might have been higher. The Building Societies Association set interest rates and this cartel sometimes produced a dearth in mortgage finance.

The number of households renting from private landlords dipped from 4,962,000 in 1961 to 3,673,000 in 1971. 'Fair' rents were an attempt to move private lets towards market prices whilst avoiding large rents in stress areas. When fair rents were introduced they were welcomed by some landlords with William Stern stating that the end of rigid control and rent reviews every three years, rather than 14 to 21 years for commercial properties, meant that 'the long-term investment value of residential properties has become strengthened by the Act and its long-term effects will, on the whole, benefit rather than harm landlords as a class' (Stern, W. *Investor's Chronicle*, 25th April, 1966 p1xiii). Stern's company, Wilstar Securities, developed a substantial residential property portfolio but went bust in

the early 1970s. Overall fair rents did little to stop the decline in private renting. Slum clearance substantially reduced the private landlord sector as did sales to sitting tenants and prospective home owners.

Although, in numbers terms, the local authority sector increased from 4.352,00 households in 1961 to 5733 in 1971, the expansion contained the seeds of the sector's future destruction. High-rise flats for people displaced by slum clearance were part of what Hall et al (1973) called the 'Containment of Urban England'. It was a repeat, on a much larger scale, of 1930s policies and had disastrous results, ruining the image of local authority housing for many years. Residents displaced from slum clearance schemes were powerless when confronting by architects, big building firms and politicians.

Sir Frederic James Osborn (1885–1978) a prominent member of the UK Garden City movement and, for many years, Chair of the Town and Country Planning Association commented:

The architects want to go up in the air.... They are supported by the lucky people in country houses and parks who don't want their Arcadia invaded. They have succeeded to some extent, owing to the structure of our democracy. But they are overriding the inarticulate yet vast majority.

(Osborn, 1959, quoted in Kynaston, 2014, p 6)

The paradox was that it was not necessary to build high-rise. It was known in the 1960s that densities, equivalent to high-rise, could be achieved 'by the theoretically elementary expedient of laying four tower blocks on their sides round a rectangle of open space' (Esher, 1983, p 132). According to Boys Smith and Morton (2013, p 11) 'One study quoted by the 1999 Urban Task Force showed that terraced houses at least match the housing densities (about 75 units/hectare) of most high-rise'.

From 1961 to 1971 housing conditions improved significantly. As examples, the proportion of households lacking a fixed bath or shower declined from 22.4% in 1961 to 9.1% in 1971 and the per cent without a flush toilet internal or external declined from 6.5% to 1.2% and households without a hot water tap from 21.6 % to 6.5% (Social Trends, 1995). The crude households to dwellings deficit had been eradicated (Holmans, 1999). This was a much faster improvement rate in housing conditions than in the 1950s, the product of slum replacement by council houses, with high *internal* standards and the impact of improvement grants, especially the mandatory grants for basic amenities under the 1959 House Purchase and Housing Act. On a personal note, in the early 1960s the landlord of our twelve cottages offered to sell the houses to the sitting tenants at below market price provided they gave up their rights to the allotments (later used for new build). So it was, and with grants

under the 1959 House Purchase and Housing Act, an extension for a kitchen was added and the old kitchen became a bathroom with indoor lavatory. Wow!

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1971 to 1981

UK new house construction reached its 400,000 plus per annum zenith in 1968 but then went into decline and, in 1979, 251,820 new houses were completed. Conservative Party support for owner-occupation strengthened in the 1970s and, in opposition from 1974 to 1979, the party developed policies to boost council house sales. The Labour Party leadership lost its enthusiasm for local authority housing and there was cross party support for older homes rehabilitation and greater housing association involvement in housing supply.

Owner-occupation

Under the Conservative government, 1970 to 1974, owner-occupation in Great Britain expanded from 50% of households to 53%. Local authority output was reduced and selling from the private rented sector to owner-occupation continued. In the early 1970s, higher improvement grant rates were offered in certain regions and the grant approvals soared as Edward Heath's government attempted to inject demand into the economy and use home improvement to limit the requirement for new council housing. Some private rented homes were sold to sitting but many people with low incomes left their homes as landlords encouraged tenants to move to facilitate sales to owner-occupiers — a process to become known as 'gentrification'.

Tax relief on mortgage interest became increasingly important as a homeowner subsidy. In 1974, Labour introduced a cap of £25,000 on the mortgage interest that could be set against tax — only a modest gesture, given that the average house price was then £10,000.

From the late 1960s the Labour Party leadership had become increasingly enthusiastic about owner-occupation and the 1977 Green Paper *Housing Policy: a consultative document* (DoE, 1977) endorsed homeownership as a 'strong and natural desire' which 'should be met'. Indeed, Harold Wilson considered a scheme to give council tenants the opportunity to buy their homes. Under Labour, the owner-occupied share of the housing market increased to 55.5%.

Private renting

In 1972 the Conservative government attempted to boost private landlordism through means-tested rent allowances, awarded on similar terms to rent rebates granted to local authority tenants (see below). Peter Walker, Secretary of State for the Environment at the time claimed the measure would make Britain the first capitalist country in which no one would be evicted for not paying the rent (Walker, 1991, p 88). Fair rents — to be imposed on local authority tenants — and the rent rebate/allowance schemes put local authority and private tenants in the same

financial position but the decline in private renting continued. In 1970 19.6% of households rented privately, by 1980 this was 11.5%, a consequence of continuing slum clearance, the producer subsidies to local government housing supply and selling to owner-occupation with its considerable tax advantages. The grassroots Labour Party members had a long-standing ambition to 'municipalise' private landlordism and the 1974 Housing Act offered the opportunity to start this process. The Act introduced Housing Action Areas (HAAs) to complement existing General Improvement Area that could be designated under the 1969 Housing Act. HAAs were areas exhibiting problem combinations such as a high proportion of unfit houses, furnished tenancies and shared accommodation. In HAAs, local authorities had extra powers to pay more generous grants and to acquire rented properties by compulsory purchase. In 1975 Labour allocated £200 million for the purchase of private landlord properties.

Local Authority Housing

In the 1970s new house construction by local government fell well below the 1960s levels. Under the Conservatives new house building by local authorities dropped from 175,500 in 1969/70 to 106,150 in 1973/4. Under Labour, it increased to 150,370 in 1976/7 and then declined rapidly to 90,210 in 1978/9, a consequence of the 1976 financial crisis when the UK government made large public expenditure cuts in return for an International Monetary Fund loan.

In 1967 high-rise subsidies had been cut and changes in cost yardsticks made tower blocks more difficult to build. However, despite the partial collapse of Ronan Point, a 22-storey tower block in Newham, due to a gas explosion, high-rise continued into the 1970s (Grenfell Tower was built in 1974) although at much lower level than in the 1960s — 160 blocks above 35 m were completed in 1967, 17 in 1974 (Kunze, 2005). High-rise became very unpopular. Kunze (2005) comments:

Research undertaken by public opinion research agency MORI and commissioned by cabe (www.cabe.org.uk) in 2002 came to devastating findings for the public image of high-rise accommodation. In interviews with over 1000 people in England they were asked to choose their favourite home. They were presented images of various typologies from a village house to a modern loft style apartment. The high-rise apartment was represented by a rather grey image of a tower block. No one at all selected the tower block.

(www.cabe.org.uk, Interview Marks Barfield)

Despite the high-rise demise, there was considerable building of smaller flat blocks in inner-cities. Tenant satisfaction in flat living followed a familiar pattern. Initial enthusiasm — the cleanliness, amenities and space were so much better than the slums — followed by disillusionment as the problems of high density living and design faults became manifest.

Council house rents

The 1970 Conservative Party manifesto declared:

... all too often those receiving subsidies are better off than those who pay for them through rates and taxes. We will change the system so that subsidies are used for adequate rent rebates for those tenants who cannot afford to pay fair rents, and also for slum clearance and other essential programmes.

(Conservative Party, 1970)

The 1972 Housing Finance Act made provision for all local authority rents to rise to the 'fair' rents charged in the private landlord sector underpinned by rent rebates (for council tenants) and rent allowances (for private landlord tenants) to help lower income households pay the rent. The change was justified in the White Paper *Fair Deal for Housing* as rationalising the historic central subsidy pattern that gave 'too little to authorities with the worst problems of slum clearance and overcrowding' (Department of the Environment, 1971, p 3).

Many Labour-controlled authorities, with a good local authority stock built at low cost from the 1930s to the 1960s, could see no reason why their tenants should be charged 'fair' rents and any surplus given to the Treasury. Most tenants agreed, to them 'fair' rents meant higher rents and there was considerable resistance to the Act via rent strikes with 45 local authorities initially refusing to implement the legislation. This opposition gradually faded except in Clay Cross, Derbyshire where a Housing Commissioner was appointed to enforce the Act and local councillors — including Dennis Skinner — were surcharged and debarred from office. 'Fair' rents probably cost the Conservatives the 1974 General Election. As a campaigner for Labour, I well remember the unusually high turn-out amongst council tenants. In the future the Conservative Party made sure there was an escape route for tenants — the Right to Buy — before pushing up rents.

On its return to power in 1974, Labour retained rent rebates and allowances but instructed local authorities to charge only 'reasonable' rents. The Treasury, pushing its long-term ambition to meanstest housing subsidies, pressed for rent increases mitigated by an enhanced rent rebate scheme. Labour MPs resisted the move. The Chief Secretary to the Treasury at the time complained: 'Talk of increasing council house rents, and it was as if you were planning to snatch children from mothers

and put them to work down a mine' (Barnett, 1982, p 70). An internal review of housing policy was set up that included the consideration and rejection of a scheme, devised by civil servants, for market rents across all tenures (Lipsey, 2013). The review produced little change in the financial regime, its only lasting outcome being the notion there was no longer a national housing shortage, but a series of local problems (Secretary of State for the Environment and Secretary of State for Wales, 1977). Accordingly, a new mechanism for distributing resources to councils was set up, whereby local authorities had to produce a housing strategy and make bids for resources via a Housing Investment Programme based on their identified priorities. After the 1976 sterling crisis, Labour cut capital expenditure on housing, reducing new local authority output. Labour's 1979 White Paper on public expenditure (Treasury, 1979, p 94) declared 'the government's objectives as:

to provide a decent home for every family, at a price within their means, that implies a more selective and discriminating approach to housing policy; it means a more efficient method of tackling need'.

Housing associations

A golden era for housing associations started in the late 1960s when a different housing association breed started to emerge. Often financed by Shelter that, following the broadcast of *Cathy Come Home* in 1966, had received large donations new housing associations emerged. Called the 'new philanthropists' these associations — more radical than traditional associations — were concerned with inner-cities, opposed to the 'fee-grabbing' cost-rent and co-ownership societies' set up by Sir Kieth Joseph, and had 'social movement' characteristics — 'not a mere housing sector, but a cause' (Young, 2001, p 89). Shelter, under Des Wilson's leadership, set the tone, combining service provision with vigorous political campaigning, much to the Charity Commissioners' chagrin (Wilson, D. 2011). Labour started to give associations extra encouragement with the 1967 Housing Subsidies Act providing payments to housing associations, unavailable to local government, to acquire properties in 'stress areas'. *Widening the Choice: The Next Steps in Housing* (Department of the Environment, 1973), published by the Conservative government, set out proposals to lessen the 'polarisation' between homeownership and renting from a local authority via a strengthened Housing Corporation and these proposals were incorporated into a bill introduced into Parliament. The incoming Labour government adopted the bill and it became the 1974 Housing Act. The Act introduced new forms of assistance to housing associations. Housing Association Grant (HAG) — renamed Social Housing Grant (SHA) in 1996 — met any gap between the actual costs of a new scheme and the 'fair rents' set by rent officers whereas Revenue Deficit Grant (RDG) was dealt with any problems on housing association balance sheets. Only associations registered with the Housing Corporation, with its duty to supervise registered housing associations, could receive grants. Boosted by extra resources

supplied to the Housing Corporation and good protection against insolvency, the housing association new-build programme accelerated, to 17,392 in 1977/8. Much housing association activity was focused on improving older property in 'stress areas': in 1978/9 12318 houses were rehabilitated. Labour's housing association embrace reflected its growing disillusionment with 'council estates' that were being identified as 'problem estates' and their move from slum clearance to the improvement of older houses. Indeed in 1974, Reg Freeson, then Housing Minister, promoted 'genuine' co-operatives based on mutuality and participation via the Co-operative Housing Agency was launched in 1976 under the Housing Corporation. By 1979 housing associations owned 353,000 houses in England, 1.9% of the housing stock.

The Land Issue

On its return to power, Labour made another attempt to tackle the land issue. The 1975 Community Land Act enabled local authorities to buy development land at its existing use value and develop the land itself or lease it to other public bodies or private agencies. The 1976 Development Land Tax Act introduced a tax at up to 80% on development increase, with a slice from the gain exempt from the tax. Local authorities acquiring land would not pay the tax. However, local authorities lacked the resources to purchase land and owners often avoided the land tax via fragmenting landownership to utilise annual exemptions and converting land sale receipts from capital to income. The Conservatives repealed the Act in 1980 and reduced the Development Land Tax to 60% with higher exemptions, before abolishing it in 1985.

Homelessness

The 1977 Housing (Homeless Persons) Act — the outcome of long-term lobbying by the voluntary sector through the Joint Charities Group — was a landmark in housing legislation. It made it clear that local authority Housing Departments, not Welfare Departments, had responsibility for homeless people, defining homelessness as the absence of a legal right to occupy a dwelling, and stating that, if a person was legally homeless, local authorities would have a duty to 'secure that accommodation becomes available for his occupation'. However, as the 1977 Housing (Homeless Persons) Bill passed through Parliament local authority concerns that they lacked the resources to implement the legislation produced clauses restricting local authority duties to those in 'priority' need, that is, pregnant or with dependent children, as a result of any emergency such as flood, fire or any other disaster or vulnerable as a result of old age, mental illness or handicap or physical disability or other special reason. Moreover, for people deemed 'intentionally' homeless, the local authority only had obligations to supply accommodation for a limited period and offer 'advice and assistance'. The statistics generated by the 1977 Housing (Homeless Persons) Act on homeless acceptances and

number of households in temporary accommodation later became important 'headline' figures on homelessness in the UK.

Outcomes

The crude number of dwellings to households improved by about 1 million between 1971 and 1981 (Holmans, 1999). Demographic change helped. Whereas between 1961 and 1971 the UK population increased by 3, 120,000, between 1971 and 1981 population growth was only 430,000. Indeed, as early as 1974, a national survey identified 62,000 council properties in 'low demand' (Glennister and Turner, 1983). I lived in a 'low demand' estate in the late 1960s and early 1970s'. The local authority's desire to minimise 'voids' produced a constant tenant turnover and, with only the most desperate households willing to live in the area, the dearth in spending power led to the closing of local shops. The area went into a rapid decline with boarded up homes making it even more undesirable as a place to live.

The proportion of unfit houses, according to the national standard, declined from 7.5% to 6.2% and the per cent of households without basic amenities fell from 17.4% to 5%. 69% of households lacked central heating in 1971, this had declined to 43% in 1981 (Newton, 1994).

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1981 to 1991

The 1980s are mainly remembered for the 1980 Housing Act that gave local authority tenants a right to buy, but, although the Act produced a significant tenure shift, this impact tended to mask the sharp decline in new house construction in the 1980s. Between 1980 and 1990 2.2 million houses were built in the UK compared to 3.1 million between 1970 and 1980. Unlike David Cameron, Margaret Thatcher never promised a one for one replacement of the houses sold under the Right to Buy and, in the 1980s, there was a steep decline in new council housing from 1.3 million between 1970 and 1980 to only 393,000 between 1980 and 1990 with housing associations adding 157,000 to the 'social housing stock'. New house building for owner-occupation declined from 1,657,940 between 1970 and 1980 to 1,625, 828 between 1980 and 1990. The new housing slowdown continued into the 1990s and 2000s and this, plus the long term impact of the Right to Buy, was a slow-burning fuse that helped to produce a future 'housing crisis'.

Owner-occupation

In the 1970s building Societies had been subject to criticism mainly because they operated a cartel in setting savings and mortgage interest rates that, so it was alleged, restricted the availability of mortgage finance. In 1980 the Conservative government removed the so called 'corset' on lending by banks effectively allowing banks, specialist mortgage companies and other financial institutions into residential mortgage lending and breaking the building societies' cartel. The subsequent changes in mortgage availability produced a rapid increase in house prices and economic growth as homeowners, feeling confident that their wealth was increasing and able to finance expenditure by equity withdrawal — increasing from 6% of after tax income in 1981 to 13% in 1988 (Early, 2001) — had a spending spree. The building societies' market share started to decline rapidly — to 58% in 1982 — as the banks, with their access to wholesale funds, had an advantage in securing capital. The aggrieved societies argued that societies should be granted the freedom to diversify and become banks. The 1986 Building Societies Act enabled building society diversification: societies could raise more funds from wholesale markets i.e. borrow from institutions as well as individuals; purchase land; act as developers; set up estate agencies and offer cheque-clearing facilities. Many societies abandoned their mutual status and offered dividends to shareholders. Making the mortgage market more competitive was slow-burning fuse that exploded in the 2000s.

The Right to Buy

Enthusiastic sales policies from Conservative controlled councils in the 1970s plus tenant resistance to 'fair' rents pushed the Conservative Party leadership into considering sales schemes. Margaret Thatcher was wary of generous discounts stating:

I was wary of alienating the already hard-pressed families who had scrimped to buy a house on one of the new private estates at the market price.... They would, I feared, strongly object to council house tenants who had made none of these sacrifices suddenly receiving what was in effect a large capital sum from the Government. We might end up losing more support than we gained.

(Thatcher, 1995, p 246)

She resisted a scheme put forward by Peter Walker to transfer the ownership of all council houses to their tenants, with those who had inhabited a house for 30 years receiving it free and the others paying a mortgage based on generous discounts

The final policy was a balance between Walker's generosity and Thatcher's caution. The Conservative Party's 1979 Election Manifesto stated:

We shall therefore give council and new town tenants the legal right to buy their homes.... Our discounts will range from 33 per cent after three years, rising with length of tenancy to a maximum of 50 per cent after twenty years..... As far as possible, we will extend these rights to housing association tenants.

(Conservative Party, 1979)

The House of Lords defeated a Right to Buy for charitable housing association tenants but the 1980 Housing Act made council house sales an individual right vested in a 'secure tenant' — a new tenancy status for the council tenant — rather than on obligation on local authorities to sell to tenants. This right cut out legal challenges based on constraints that may have hindered local authorities from discharging their obligations. 'Secure tenants' for three years were given an individual right to purchase their homes at a substantial discount on market value: 33% for three years' tenancy rising by 1% per year to a maximum of 50%. Later, the qualifying period was two years and discounts up to 60% on houses and 70% on flats were on offer, subject to a 'cost floor' based on the capital expenditure on the house made by the local authority in the previous eight years.

Margaret Thatcher extolled homeownership defending the continuance of tax relief on mortgage interest — costing £7.7 million per year by the time she left office, in real terms double the amount in 1979 (Newton, 1994) — as a 'well deserved' reward to households with mortgages — 'our people' (quoted in Campbell, 1993, p 175). She defended the Right to Buy as giving the 'dignity' of homeownership to council tenants (Thatcher, 1983) and, from 1980 to 1990, 1.5 million council homes were sold. However, Right to Buy sales slowed down between 1985 and 1988, prompting the Conservatives to introduce new ways to reduce the council house stock (see below).

The planning system

Private enterprise failed to compensate for the steep decline in new building by local government and the planning system was implicated in this letdown. Many commentators expected a Conservative government, influenced by free market ideas, to limit planning controls and the establishment of Enterprise Zones and Urban Development Corporations, that by-passed local control of planning applications, appeared to confirm this expectation. However Enterprise Zones and Urban Development Corporations were mainly set up in Labour controlled, urban areas and, in the rest of the UK, the established planning regime remained intact. Granting planning permission was a local government domain with appeal to the central government,

Planning – ‘essentially a ruthless bargaining process ... concerned with conflicts of interest and the distribution of limited resources’ (Bruton and Nicholson, 1986, p 7) and not a rational process seeking the ‘common good’ — now had the home-owning middleclass firmly at the table, initiating what Ortalo-Magné and Prat (2007, p 4) called a ‘vicious circle between homeownership and housing supply’.

Despite prompting from neoliberal think tanks, Margaret Thatcher’s government made only limited attempts to loosen planning’s grip on the land market. Patrick Jenkin attempted to modify green belt designation when Secretary of State for the Environment between 1983 and 1985. He told Parliament that ‘If green belt policy is to be successful, however, it is important that local planning authorities should, when drawing detailed green belt boundaries, make provision for necessary future development’ (Jenkin, 1983). This announcement was met with hostility from the Council for the Protection of Rural England and many Conservative MPs. Jenkin dropped the idea but his political career was damaged (Ward, 2004). William Waldegrave, a junior Environment Minister in the mid-1980s, expressed the political reality, stating:

There is actually a lot of derelict land in the Green Belt, so why do we not try and create something attractive instead of, for instance, these terrible old gravel pits. The trouble is everyone believes that this would be seized upon as a wonderfully convenient opening by the developers.... So it has become almost impossible to change it.

(Quoted in Porritt and Winner, 1988, pp 83–4)

New Towns

Under Thatcher all the Development Corporations were dissolved, their commercial assets and many freehold sites were sold to private companies and their housing stock was passed to housing associations or sold to tenants (Ortolando, 2019). Thatcher's distaste for new towns was revealed in 1983 when Consortium Developments Ltd wanted to develop up to 15 privately financed new country towns around London, hoping that Thatcher's government would respond to a private sector initiative. Four proposals went to the planning stage but they were rejected by the government.

Local Authority Housing

Stock Transfer

The mechanisms for cutting council housing were 'Tenant's Choice' — allowing a tenant ballot to change landlord — and Housing Action Trusts (HATs) — appointed by the government to oversee regeneration of local authority estates and then transfer them to other landlords. Implementing these initiatives met with tenant resistance. Despite the central government appointing consultants to promote 'Tenant's Choice', tenants were suspicious that 'alternative' landlords were private landlords and only 1,470 homes were transferred, mostly to Waltham and Elgin Community Homes Ltd, set up by a tenant's action group to liberate their homes from Conservative-controlled Westminster Council. In the Bill making provision for HATs, there was no provision for a tenant ballot, but the House of Lords amended the legislation to include a right for tenants to decide for or against a HAT on a majority vote. Tenants — fearful of transfer to a private landlord — resisted HATs, and the first two going to ballot were rejected by large majorities. Faced with the ignominy associated with large amounts of allocated yet unspent cash, the Department for the Environment started to work with local authorities and tenants to ensure that HATs became acceptable. Eventually, after assurances to tenants about returning to their local authority following improvements, six HATs were established.

Some smaller Conservative controlled councils, concerned about the loss of low-cost accommodation in their areas and, in some cases anxious to obtain a capital receipt, started to transfer their stock voluntarily. There was no legal requirement for a tenant ballot on a transfer.

Rents

The push of higher rents was added to the pull of the Right to Buy. In the early 1980s all central government subsidies were ended and then the cost of Housing Benefit was added to Housing Revenue Accounts throwing them all into deficit and making rent levels controlled by central government.

1988 Housing Act heralded yet higher rents. As Nicholas Ridley, the architect of the Act later explained:

I saw the solution as being to provide housing benefit on a sufficiently generous scale to enable all tenants to be in a position to pay their rents, and at the same time to bring rents up towards market levels. This would put all three classes of landlord – councils, housing associations and private landlords – into the same competitive position, giving tenants a choice.

(Ridley, 1992, p 88)

This promise to raise all local authority rents to market level helped to boost council house sales.

The private rented sector

In the early 1980s some circumspect moves aimed relaxing rent control and tenure security were made but the major change was made by the 1988 Housing Act. This Act ended full security of tenure and ‘fair rents’ on vacant possession.

The immediate impact of the Act was limited but the framework it set — market rents and very limited tenure security — paved the way for a rapid expansion of private landlordism in the 2000s.

Housing associations

The Thatcher government viewed housing associations as part of the ‘public sector’. State assistance insulated them from market pressures and their borrowing contributed to public debt. In cash terms, spending by the Housing Corporation remained constant between 1982/83 and 1988/89 but higher costs produced a 33% fall in new completions despite housing association willingness — rapidly adapting to their new political masters — to become involved in schemes to stimulate homeownership. When Secretary of State for the Environment, Michael Heseltine promoted a number of low-cost homeownership initiatives, including an innovative scheme allowing people to identify a derelict property and renovate it with grants from the Housing Corporation. Shared ownership schemes — with owners sharing equity with a housing association and perhaps stair-casing to full ownership (Lund, 2017) — became an enduring feature of the Housing Corporation’s housing programme.

The Housing Act 1988 marked a watershed in the history of housing associations and helped to change their ethos. Purkis (2010, p 9) comments:

There was for some a feeling akin to being floated on the stock exchange. Suits, smart cars and higher salaries appeared swiftly, and for bold spirits this was a time of pumping adrenalin as the sector found itself in pole position as the preferred developer of social housing.

The thinking underlying the Act was set out in *Housing: The Government's Proposals* (DoE, 1987). In future, housing associations would raise most of their capital finance from the private sector. All rents — local authority, private landlord and housing association — would float to market levels, with a more selective system of Housing Benefit protecting low-income households. Although the government did not use the term, a 'quasi-market' was to be created in rented accommodation, with Housing Benefit acting as form of voucher for use by a low-income tenant to choose between landlords. Higher rents would make loans from the private sector more attractive to the financial institutions. Thus, under a government intent on restricting public expenditure, associations obtained a major advantage over local authorities – because their debt was labelled 'private', they had greater access to capital. The price was exposure to risk, regarded by the Treasury as essential to the classification of housing associations as 'independent'. Associations would let their homes under the same legal regime as private landlords. They would compete for public grants by submitting a resource bid that achieved the desired government objectives with the lowest cost to the state. They would shoulder the financial consequences of their bids. John Major's government implemented the Act.

Home Improvement

In the 1970s clearance was automatically associated with council housing. Margaret Thatcher's first government (1979–83) displayed a strong commitment to private sector housing rehabilitation as a mechanism to prevent future local authority building and to absorb Right to Buy receipts (Lund, 2016). This rehabilitation commitment was accompanied by a policy shift towards extending improvement grant availability regardless of location. However, following the 1983 general election, improvement grants were badly affected by public spending cuts and the Treasury appropriating RTB receipts for non-housing purposes. *Home Improvement: A New Approach* stated 'home ownership offers opportunities for individuals to alter and improve their homes as they wish; they must carry the primary responsibility for keeping their property in good repair' (DoE, 1985). In future, improvement grant eligibility would be determined by property fitness and the occupiers' income. Neoliberal distaste for relativity in defining minimum yardsticks was revealed when, in relationship to the fitness standard, the green paper declared 'a policy of raising the minimum standard to match rising social expectations would be inappropriate' (DoE, 1985, p 10). The owner-occupier of a dwelling deemed unfit according to an unchanging standard would be eligible for an improvement

grant but subject to a means test. The new grant would cover only the cost of making a dwelling fit with additional expenditure to give a house a 30-year life covered by an equity-sharing local authority loan. No action was taken on the 1985 green paper until the 1989 Local Government and Housing Act, and, in the interim, equity-sharing loans — a feature of the 1985 green paper were abandoned. Under the Act a new benchmark for assessing unfitness was introduced that became the basis for awarding means-tested renovation grants. Housing Action Area and General Improvement Area declarations were abolished but local authorities were allowed to undertake group repair schemes such as ‘enveloping’, involving making sure an entire terrace street was sound, and to designate renewal areas. Clearance area declaration was permitted only when a local authority had carried out a detailed cost/benefit option appraisal.

Outcomes

Tenure

Local authorities housed 21.6% of households in the UK in 1991, compared to 29% in 1981. Private renting declined from 11.1% 1981 to 8.7% in 1991 and the housing association sector increased from 2.2% in 1981 to 3.1% in 1991. Home ownership in the reached 66% in 1991 compared to 57.7% in 1981. The Right to Buy was the main tenure change driver,

Housing Costs

Local authority rents increased from 7% of average earnings in 1980 to 8.9% in 1990, housing association rents remained constant at 11.3% of average earnings, private sector ‘fair’ rents increased from 10.1 of average earnings in 1980 to 11% in 1990 whereas the new market rents were 17.5% of average earnings in 1990 (Stephens et al, 2019).

Stock Condition

The percentage of the housing stock lacking basic amenities declined from 5% in 1980 to 2% in 1990 and unfit properties from 7% to 5% (according to the criteria set in the 1957 and 1985 Housing Acts) [[DCLG](#), 2017].

Homelessness

Statutory homelessness increased rapidly in the 1980s. In 1980 4710 households were living in temporary accommodation in England, by 1990 there were 45270.

In the early 1980s, the number of people on the streets was increasing and they seemed younger than in the past. The Conservative response was to stop the payment of HB to people under 18 and reduce the amount paid to 18 to 25 year olds. Margaret Thatcher believed that HB availability was encouraging young people to leave home (Thatcher, 1993). These HB restrictions did not have the anticipated impact and, by the late 1980s, considerable media attention had focused on the growth of 'cardboard cities' and begging, especially in central London. Margaret Thatcher commented that 'Crowds of drunken, dirty, often abusive and sometimes violent men must not be allowed to turn central areas of the capital into no-go zones for ordinary citizens' (Thatcher, 1995, p 603). A new expression entered the homelessness discourse — 'rough sleepers'. A Rough Sleepers Initiative was started. This consisted of a programme, costing £196 million over seven years, to contact rough sleepers in central London, allocate them to emergency hostel places and then offer more permanent, 'move on' accommodation.

Conclusion

Compared to the 2000s when the UK population increased by 4.07 million, demographic pressures in the 1980s were benign with a UK population increase of 1.08 million in the decade. Household formation increased in the 1980s and the crude number of dwellings over households was about the same in 1980 and 1990.

In the 1980s major steps towards creating a free market in housing were taken: pushing all rents to market levels, reliance on private finance for housing association new build, restricting local authority housing supply, competition in the mortgage market etc but the planning system — the public control of land release — remained unchanged.

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1991 to 2001

John Major's government adopted and developed Margaret Thatcher's housing policies. The result was a rapid decline in local authority housing supply and an advance in owner-occupation but, post 1996, the move towards market rents in the 'social housing' sector was modified. In its first term in office, New Labour continued Major's policy direction.

Major: A Retreat from Thatcherism?

The final year of Margaret Thatcher's term was marked by an abrupt end to the housing boom. Real house prices increased from £100,000 in late 1987 to £140,000 in late 1989 but, in 1990, they slumped to £120,000. John Major became Prime Minister in November 1990 and by the second quarter of 1991 house prices had dropped to £100,000 (Economics Help, 2016). Major introduced a 'housing rescue' package bringing forward future resources allocated to housing associations to allow them to buy up new unsold properties.

The Conservative Party's 1992 Manifesto (Conservative Party, 1992) advanced Thatcher's housing policies, promising to maintain mortgage tax relief; prevent local authority delay in processing Right to Buy applications; allow council tenants to buy a part share in their homes; promote stock transfer to housing associations in small packages to encourage choice; force local government to submit their in-house housing services to competitive tender and do more to reduce rough sleeping.

All these proposals were implemented but, post 1995, Major's government began to retreat from Thatcher's policies. Despite the 1992 election manifesto promise, tax relief on mortgage interest started to be phased out. Under Major's 'Citizen's Charter' initiative a 'right to manage' was introduced to encourage tenant management boards and tenant management cooperatives and, although this would help to reduce local authority involvement in housing management, it introduced a 'social' element into the process. Performance indicators, also a 'Citizen's Charter' project, suggested central government objectives rather than market outcomes as a policy lodestar.

Abandoning the move to push local authority and housing association rents to market levels was perhaps the most important departure from the Thatcher agenda. Housing Benefit expenditure had soared from £4.6 billion in 1985/86 to £12.3 billion in 1994/95. As Housing Benefit costs increased, John Major's government tried to stem the flow by stratagems including 'reference rents', involving setting a maximum rent on which Housing Benefit would be paid set increasingly on area boundaries,

known as 'Broad Market Rental Areas'. It was claimed that this would enable tenants to make informed choices on benefit entitlement in relationship to properties available but it also restricted the ability of low-income households to move 'upmarket'. This stratagem had little impact and the 1995 White Paper *Our Future Homes* (DoE and the Welsh Office, 1995) announced that, rather than bracket housing associations with private landlords as part of the 'independent' rented sector, housing associations and local authorities were brought together as part of the 'social' sector. The White Paper said 'We will ensure that rents in the social sector remain affordable for tenants in low paid work (DoE and the Welsh Office, 1995, p 10) indicating higher grants for new build and restrictions on rent increases.

Planning

Section 106 (S106) of the 1990 Town and Country Planning Act provided local planning authorities with powers to require developers to contribute towards site specific infrastructure and the provision of affordable housing. This became a significant source of affordable housing in the 1990s but there was little change to overall planning structure. Indeed, confronted by projections indicating a large future increase in households *Household Growth: Where Shall We Live?* (Secretary of State for the Environment, 1996) explicitly ruled out increasing land availability in Green Belts and on greenfield sites in favour of greater use of brownfield sites and restricting household formation by, for example, encouraging students to apply to their nearest university, persuading elderly people to live with their children, reducing divorce and separation and restricting benefits (Secretary of State for the Environment, 1996, p 16). Designated Green Belt increased from 721,500 hectares in 1979 to over 1.6 million hectares in 1997.

Home Improvement

Homelessness

In the 1980s the media started to focus on the problem of people sleeping on the streets especially the growing numbers of young people out in the cold. In 1990 a Rough Sleepers Initiative (RSI) was introduced, consisted of a programme, costing £196 million over seven years, to contact rough sleepers in central London, allocate them to emergency hostel places and then offer more permanent, 'move on' accommodation. In 1995 the government claimed that the initiative was working and 'the number of people sleeping rough in central London has dropped from over 1000 in 1989 to under 290 in November 1994' (DoE, 1995, p 37).

Statutory homeless, that is, people entitled to local authority assistance under the 1977 Housing (Homeless Persons Act), climbed rapidly in the late 1980s and early 1990s with the number of households living in temporary accommodation increasing from 20,700 in 1986 to 62,740 in 1992 (Wilson, 1994).

The Green Paper *Access to Local Authority and Housing Association Tenancies* (DoE, 1994) claimed:

By giving the local authority a greater responsibility towards those who can demonstrate 'homelessness' than towards anyone else in housing need, the current legislation creates a perverse incentive for people to have themselves accepted by a local authority as homeless.

The perverse incentive argument was also applied to local authorities. The Green Paper complained that existing central resource distribution mechanisms weighed homelessness and claimed 'it was wrong to put a substantial weight on a measure affected as much by authorities' administrative decisions as this puts authorities under inappropriate and perverse incentives' (DoE, 1994, p 7). The suggested homelessness definition was 'no accommodation of any sort available', a definition that would have a dramatic impact on the 'headline' homelessness figures; the number of households accepted as homeless by local authorities and the number of households in temporary accommodation

However, in the construction of the Housing Act 1996, the proposals in the Green Paper underwent an erosion process. The 1996 Housing Act retained the homeless definition in the 1977 Housing (Homeless Persons) Act. Local authorities had to provide temporary accommodation for up to two years but only when satisfied that other suitable accommodation was not available. The aim of this provision was to make clear that local authorities did not have to arrange to supply 'settled' or 'permanent' accommodation to end their obligations under the homelessness legislation. The terms 'settled' and 'permanent' occurred in the Code of Guidance issued under the Act, to which all local authorities had to 'have regard to' in implementing the legislation. Accordingly, most local authorities interpreted their obligations as involving providing a local authority or housing association property until, in the case of *R v London Borough of Brent ex parte Awua* (1995) the House of Lords established that this was unnecessary. The 1996 Housing Act reaffirmed this legal interpretation by stating that local authority obligations were discharged when it was satisfied that other suitable accommodation, including a private landlord assured shorthold tenancy, was available in the area. In addition, the duty to provide temporary accommodation for homeless people was separated from allocating local authority dwellings. In allocating tenancies local authorities had to offer 'reasonable preference' only in accordance with guidance incorporated in the Act. Homelessness was not included in the guidance

as a 'need' category for which 'reasonable preference' was to be given although homeless people might receive priority under other categories.

NEW LABOUR

Devolution was perhaps New Labour's most radical policy in its first term in office. Powers (including housing powers) were devolved to the Scottish Parliament, the National Assembly for Wales and the Northern Ireland Assembly Scotland and to their associated executive bodies. Devolution has been a process rather than an event, and, over time, has produced divergences in housing policy in England, Scotland, Wales and Northern Ireland that will be explored in future posts.

New Labour's 1997 manifesto (Labour Party, 1997) was circumspect on housing policy promising greater consumer protection and more flexible mortgages for homeowners. On private renting it stated:

We value a revived private rented sector. We will provide protection where most needed: for tenants in houses in multiple occupation. There will be a proper system of licensing by local authorities which will benefit tenants and responsible landlords alike.

On social housing it said:

We support a three-way partnership between the public, private and housing association sectors to promote good social housing. With Labour, capital receipts from the sale of council houses, received but not spent by local councils, will be re-invested in building new houses and rehabilitating old ones... We also support effective schemes to deploy private finance to improve the public housing stock and to introduce greater diversity and choice.

Policy of homelessness was to 'impose a new duty on local authorities to protect those who are homeless through no fault of their own and are in priority need' and to reduce the number of young people sleeping rough by the phased release of capital receipts from council house sales increasing the stock of housing for rent and a welfare-to-work programme 'leading the young unemployed into work and financial independence'.

New Labour's rough sleeping agenda was taken up by a 'Social Exclusion Unit', located in the Prime Minister's Office. Its investigation (Social Exclusion Unit, 1998), concluded that sleeping rough was

not primarily a housing shortage issue but a matter of the rough sleepers' disturbed personal biographies and their 'lifestyle culture'. A 'Rough Sleeping Unit', under a 'Czar', was established to coordinate a new rough sleeping 'initiative' and a target for reducing rough sleeping was announced to be monitored through an annual rough sleeper count. The Social Exclusion Unit was also involved in the implementation of *New Deal for Communities* — a scheme aimed at improving 'human' and 'social' capital — but with significant housing expenditure.

New Labour's 1997 manifesto pledge to 'place a new duty on local authorities to protect those who are homeless through no fault of their own and are in priority need' was partially redeemed in 1997 when 'households who are being accommodated by the main homelessness duty' was added to the need categories list that local authorities were required to give reasonable preference in allocating dwellings. Significant change to the 1996 Housing Act had to wait until New Labour's second term (see later post, 2001 to 2011).

A Green Paper was published in 2000. *Quality and Choice: A Decent Home for All* (DETR, 2000). It contained a plethora of proposals such as:

- '...a step change in the quality of the stock and the performance of social landlords and are committed to ensuring that all social housing is of a decent standard within 10 years';
- 'helping key workers and other people on modest incomes to buy their own homes, perhaps on a shared equity basis, under a new Starter Home Initiative in areas where the demand for, and cost of, housing is high';
- 'enabling local authorities to support the renovation and improvement of private sector housing in a better targeted, more strategic way, through grants and greater use of loans and low-cost maintenance services';
- 'raising the standards of reputable private landlords, encourage new investment and tackle problems at the bottom end of the sector'
- 'supporting the transfer of up to 200,000 homes each year from local authorities to registered social landlords, where proposals are supported by tenants'
- 'encouraging the creation of new arms-length companies to manage local authority owned housing,

- ‘ensuring the consistent and rigorous application of Best Value and tenant participation compact principles across social housing, including both local authorities and registered social landlords.
- ‘more emphasis on mixed tenure in new social housing projects to help create sustainable communities’;
- ‘promoting lettings policies that offer choice...’
- ‘extending the statutory safety-net to a wider group of vulnerable homeless people (such as care leavers and others with an institutionalised background, the victims of domestic violence and 16 and 17 year-olds)’.

1991 to 2001: Policy Outcomes

The demographics in the 1990s were benign with UK population increasing by 1.68 from 1991 to 2001 compared to 4.1 million from 2001 to 2011 (World Bank, 2019).

Net migration was negative in 1992 (-13,000) but around 60,000 per annum from 1993-97 before increasing to 140,000 in 1998 and reaching 179,000 in 2001 (Migration Observatory at the University of Oxford, 2018). Until 1998, ‘natural increase’ (births minus deaths) was by far the largest contributor to population growth, but, post 1998, net migration made the greatest contribution. Households grew faster than population due, in part, to increasing housing availability encouraging household formation. In 2001 households and dwellings were equal (Holmans, 1999).

Total new UK house construction declined from 191,020 in 1991 to 176,850 in 2000 receiving a boost only in 1994 and 1995 when, under Major’s ‘housing rescue package’ housing association output increased to an average 35,000 each year. Building by private enterprise was fairly constant at an average of 155,000 per year but, by 2000, housing association output was 21,990, about the same level as in 1991. Local authority new build dropped from 11,060 in 1991 to only 280 in 2000.

The proportion of owner-occupied households in the UK increased from 66.5% in 1991 to 69% in 2001. 690,470 houses were sold under the Right to Buy between 1991 and 2000 but access to the mainstream market became easier. The Bank of England base interest rate (reflected in mortgage

interest rates) gradually fell from 10.37% in 1991 to 4% in 2001 (Mortgage Strategy, 2018). In 1991 mortgage cost to income for first-time buyers was 21.8% but this had fallen to 17.1% in 2001 and, for former owner-occupiers, it fell from 22.1% to 16.3% (Wilcox, 2003). Real UK house prices began to recover in 1995 and, by 2001, were back to the 1987 peak. Private renting increased 8.6% to 9.7% with Buy to Let — in 1996 mortgage lenders agree to lend on private renting property at about the same rate as for owner-occupation — starting to make an impact. Buy to Let mortgages soared from 26,500 in 1998 to 130,000 in 2001/2 (Wilcox, 2003).

Unfit properties, by the statutory standard of the time, declined from 7% in 1991 to 4% in 2001 and homes lacking basic amenities fell from 1% to almost zero. Overcrowding as measured by the bedroom standard (see Lund, 2017 for definition) declined from 5% of households in 1991 to 3% in 2001 but, towards the end of the decade it started to increase in the private landlord sector (Wilson, 2010). Measured by the number of households in temporary accommodation homelessness, homelessness in England increased from 59,930 in 1991 to 72,440 in 2000 (Wilcox, 2003).

Conclusion

There was a strong element of continuity between John Major's government and New Labour in housing policy. Both retained the Right to Buy and encouraged stock transfer from local government but Major's retreat from tax relief on mortgage interest (much to the annoyance of Margaret Thatcher [Thatcher, 2000]) was continued by New Labour. Major's move away from market rents in the 'social' sector was continued by New Labour and New Labour's 'Best Value' regime contained elements of Major's emphasis on the competitive tendering of local authority housing services. The decline in local authority new house building persisted under both regimes as did the general decline in overall new house construction. The 1990s demographics were gentle but low levels of new construction, especially in the social sector post 1995, was a slow burning fuse for the 2000s housing crisis.

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2001 to 2011

2001 to 2011 was a turbulent decade for housing. House prices boomed then slumped and the post 1954 sustained rise in homeownership went into reverse. New house building picked up in the mid 2000s but declined sharply after the 2008 credit crunch. The demographics were troublesome and, partly in response to migration, private renting increased rapidly. Devolution started to have an impact on housing policies so this post, together with the post on 2011 to 2020, will contain a separate section on Scotland, Wales and Northern Ireland.

England

Owner-occupation

In England, owner-occupation started to decline in 2004, but this did not deter Gordon Brown, then Chancellor of the Exchequer, from declaring an aspiration to increase the number of homeowners by a million over the next five years, taking the homeownership rate towards 75%. It did not happen and, by 2010, homeownership had dropped from 69.1% in 2004 to 65.2%. Several factors contributed to this decline. Post 2003 house prices rocketed, the outcome of lower interest rates, a credit boom, more investors (especially private landlords) entering the housing market, a decline in Right to Buy sales, increased migration and the failure of supply to match demand.

New Labour passed the power to set interest rates to the Bank of England charging it to maintain inflation at less than 3%. The inflation index used was the consumer price index that excluded mortgage interest and some other housing costs. Between 1997 and 2007 the base rate was modest relative to preceding years. This might have helped first-time buyers but house price increases pushed mortgage cost-to-income ratios for first-time buyers up from 19.1% in 2003 to 23.9 in 2007 (Stephens et al, 2019). Credit availability helped to push up house price with securitisation the principal credit expansion source. Securitisation is a method of transferring assets and risk to investors, and generating funding for more assets. Mortgages granted by banks might be put into a special vehicle which then issues bonds. Investors buy the bonds expecting a return from the mortgages and the bank receives the cash from the vehicle. Removing the mortgages from the bank's balance sheet enables it to issue new mortgages with the extra funding.

In the USA lower interest rates boosted the appeal of property ownership and the excess demand over supply led to rapid house price inflation. A new mortgage market, known as 'sub-prime', fuelled the house price boom. 'Sub-prime', that is, risky, mortgages were bundled, sometimes with standard mortgages, into packages and sold as securities. This meant that the original mortgage holder quickly passed on the risk producing a large increase in hazardous mortgages, typically offered at 'teaser' introductory interest rate, usually 2%, to be followed by a sharp increase of up to 10%. Interest only 100% mortgages — often more — were offered and some borrowers were allowed to estimate their incomes on the mortgage application form, so called 'liar' loans. In 2007, the housing bubble burst.

The sustained house price inflation had increased supply and the federal interest rate, at a 1% low point in 2004 had started to creep upwards. Many sub-prime mortgage holders could not afford to pay the higher interest rates charged when the ‘teaser’ rates ended. Mortgage foreclosures soared and abandoned houses added to supply. The average house price declining and the fall in sub-prime loan values caused an international financial crisis. ‘Securitised’ — now ‘toxic’ — mortgages had been sold throughout the world and several major banks still owned loans yet to be ‘sliced and diced’ as ‘securitised’ debts. As banks did not know who owned the bad debt, they refused to lend to each other producing the ‘credit crunch’ that spread into other national economies. Northern Rock was the first UK casualty of the ‘credit crunch’

On becoming a bank, Northern Rock floated on the London Stock Market. It aggressively expanded its mortgage market share by borrowing on wholesale markets using ‘securitisation’ — selling on the loans — as collateral and attracting new mortgage business through deals such as its ‘Together’ loan — up to 125% of house value and six times the borrower’s annual income (Brummer, 2008). Only 25% of its funds came from the retail market with 40% obtained from securitisation and 24% from wholesale unsecured borrowing (Milne, 2009). As the credit crunch spread from the USA, Northern Rock suffered a bank run and was taken into public ownership in 2008. Other banks encountered severe problems and later it was revealed that some were heavily involved in irresponsible lending and securitisation. For example, the Royal Bank of Scotland was fined £4.3 billion by the US Department of Justice for the mis-selling \$32 billion of US sub-prime mortgages (Guardian, 2017). The state was forced to intervene via an expensive bank rescue package in the forms of government-backed mergers; a range of short-term loans and guarantees of inter-bank lending; guarantees for customer deposits and up £50 billion of direct state investment in the banks. At its peak, state support to banks amounted to £1029 billion in guarantee commitments and £133 billion in cash outlays (National Audit Office, 2017). Government intervention stabilised the banking industry but at the cost of adding to public debt with the subsequent austerity agenda producing cutbacks in state expenditure. UK house prices had increased from £83,983 in 2001 to £184,973 in late 2007 but then declined to £156,838 by the end of 2008. This fall did not help first-time buyers. Bad risk concern pushed up the deposits demanded by banks from potential homeowners. 100% mortgages disappeared, 90% became rare and the typical first-time buyer paid a 20% deposit. New housing construction in the UK plummeted from 226,420 in 2007 to 137,270 in 2010. Helped by New Labour’s Homeowner Mortgage Rescue schemes that prevented the mass mortgage foreclosures that had depressed the USA housing market, in 2010, house prices started to increase.

Migration contributed to homeownership decline. 80% of new immigrants live in the private landlord sector within five years of arrival. The percentage drops according to length of time living in the UK with 54% residing in the private landlord sector within 10-20 years of arrival

and, overall, 40% of foreign-born people living in the UK are private renters (Houses of Parliament, Parliamentary Office for Science and Technology, 2017). Net UK migration per year increased from 179,000 in 2001 to 256,000 in 2010 (Migration Observatory at the University of Oxford, 2019).

Local Authority Housing

New Labour's policy on local authority housing was to transfer local authority stock to housing associations as part of a strategy to improve 'social housing' quality. The central government took control of overall rent levels and individual rents and, over time, local authority rents would converge with housing association rents, thereby eliminating different rent levels as an objection to stock transfer.

New Labour set targets for all social homes to meet the decent homes standard. A number of options were available through which the target could be achieved: stock transfer to an Arms Length Management Organisation (ALMO); use of the Private Finance Initiative and stock transfer to a housing association. The dice were loaded towards stock transfer to a housing association with its access to private finance and the substantial debt relief offered by central government. Despite sustained opposition, some from within the Labour Party organised by 'Defend Council Housing', stock transfer gained momentum and, under New Labour, a million dwellings were removed from local authority ownership.

House building by local government was very low, with in New Labour's 13 years in office only 6,400 local authority houses built. However, the sharp reduction in new private building during the 2008/09 recession prompted a rethink and a specific Local Authority New Build Programme was established and discussions with local government were started on ways to reform local authority Housing Revenue Accounts to allow local authorities to use any surplus arising from renting the existing stock and Right to Buy receipts, claiming in its 2010 manifesto that the new system would enable councils 'to build up to 10,000 council houses a year by the end of the next Parliament' (Labour Party, 2010, para 2.5).

The Right to Buy contributed to the decline of local authority housing stock. However, in 2004 New Labour slashed Right to Buy discounts and restricted resale conditions. The outcome was a large fall in Right to Buy sales from 69577 in 2003/4 to 2758 in 2010/11 (Stephens et al, 2019).

Housing Associations

New Labour concentrated resources on upgrading social housing to the decent homes standard via stock transfer. Initially funds for new housing association houses were scarce. In England, completions by housing associations dropped from 30,730 in the last year of the major government to 14,109 in 2001 gradually picking up to 21,750 in 2007, then increasing to 26,520 in 2010 (Stephens et al 2019) as New Labour injected resources into the sector to counter the housing recession. The main source of housing association growth was stock transfer.

Private renting

Armed with substantial 'business expenses' tax breaks, the availability of Buy to Rent loans and limited tenure security for tenants, the private landlord sector expanded in the 2000s. Migration assisted this expansion but, although the growth in private renting has been regarded as a response to the decline in homeownership, it was also a cause. First-time buyers and private landlords compete in the same market and as more landlords became asset and cash rich they were able to outbid first-time buyers both in price and access to deposits. Private landlordism developed an in-built momentum: the exclusion of potential first-time buyers from owner-occupation added to the renter pool thereby boosting rents. The number of households renting privately increased from 2,089,000 in 2001 to 4,105,000 in 2011 with the number of households with children privately renting rising quickly. The number of single lone parents renting privately increased from 96,000 in 2000/01 to 239,000 in 2010/11; previously married lone parents from 104,000 to 182,000 over the same period and the number of couples with dependent children from 287,000 to 682,000 (MHCLG 2019).

Planning

Average valuations of residential land with outline planning permission soared from £1.8 million per hectare in 2001 to £4 million in 2008 and then fell reaching £2.4 million in 2010 (Stephens et al 2019).

In 2003 New Labour became concerned about the low level of new house production and HM Treasury started to take control of housing policy. Kate Barker was appointed to examine ways to boost supply (Barker, 2004) and she recommended a step change in housing supply to be achieved by setting national and regional affordability targets that, if unmet by local government, would trigger land release.

New Labour attempted to cut through the planning morass by abolishing county structure plans and injecting a regional tier into the planning process. Regional authorities were charged with preparing Regional Spatial Strategies that set targets for local government based on 'market signals'. The approach had little success. Preparing Regional Spatial Strategies was tortuous. Opposition to extra housing was vociferous and all the delay mechanisms, such as judicial reviews, were used to thwart the process. The Liberal Democrats and the Conservatives supported the opposition and their

2010 manifestos promised to abolish Regional Spatial Strategies in favour of local plans for local people.

Private sector improvement

The 2001 English House Condition Survey contained a new benchmark for the housing stock, the decent homes standard. This was a target threshold, to be achieved in the future. The fitness standard became a minimum yardstick that could trigger specific local government action to rectify the unfitness. In 2006, under the 2004 Housing Act, the fitness standard was replaced by the Housing Health and Safety Rating System (HHSRS) involving a risk assessment related to the most vulnerable occupant in the defective accommodation. Applying the HHSRS meant a detailed assessment of the dwelling related to the most vulnerable resident and the universal fitness standard, albeit inadequate, was lost (Bate, 2016).

New Labour stepped away from private sector involvement. A consultation document stated: ‘it is only right that the responsibility for maintaining privately owned homes, which for many people is their most valuable asset, should rest first and foremost with the owner ... (DETR, 2001, paras 3.1, 3.2)

The detailed provisions governing the way local authorities facilitated private sector improvement were removed and replaced with a broad power to provide assistance for home repair and improvement, leaving more discretion to local government. In response to criticisms that private sector improvement was being neglected, the decent homes target was extended in 2003 to cover privately owned homes occupied by ‘vulnerable’ families. The target was for 70% of vulnerable households living in the private housing sector to have a decent home by 2010 (one of the many housing targets set by New Labour) but this was quickly downgraded to ‘dormant’ status.

The Housing Market Renewal Initiative, started in 2002 and abruptly ended in 2011, spent £2.51 billion in an attempt to restructure housing markets in ‘low-demand’ areas. According its initiators and evaluators ‘In spite of media representation to the contrary, the main emphasis of the programme was on preserving and improving the existing housing stock wherever possible’ (Nevin Leather Associates, 2012). Output figures from 2002/4 to 2010/11 were quoted as 30,987 (demolitions), 108,734 (refurbishment) and 15,780 (new build) [Nevin Leather Associates, 2012]. However, ‘refurbishment’ can include short-term remedial measures or full improvement and *Key messages and evidence on the housing market renewal pathfinder programme 2003–2009* (DCLG, 2009) noted that between 2003/4 and 2006/7 8392 were refurbished to the decent homes standard but 29179 *not* to the decent homes standard. Moreover, private landlords moved into the pathfinder areas contributing to the nationwide homeowner decline.

New Labour tried to improve energy efficiency in existing homes through requirements to upgrade energy efficiency when a house was extended, special deals to owners for micro-energy generation

such as solar panels, requiring a declaration of energy efficiency for homes put on the market and assistance to low-income households via the Warm Front programme. In 2008, The Carbon Emissions Reduction Target (CERT) came into effect, obliging electricity and gas suppliers in Great Britain to help reduce carbon dioxide emissions from homes and including an obligation to offer subsidised or free insulation to groups likely to experience fuel poverty.

Homelessness

New Labour's 1997 manifesto promised to 'place a new duty on local authorities to protect those who are homeless through no fault of their own and are in priority need' (Labour Party, 1997, p 23). This pledge was partially redeemed in 1997 when 'households who are being accommodated by the main homelessness duty' was added to the need categories list that local authorities were required to give reasonable preference in allocating dwellings. Significant change to the 1996 Housing Act had to wait until New Labour's second term. The 2002 Homelessness Act imposed a duty on local authorities to develop a homelessness strategy, abolished the two-year limit on the provision of temporary housing and disallowed an offer of an assured shorthold tenancy unless acceptable to the homeless person. The Priority Need Order 2002 extended the groups designated as 'in priority need' to cover:

- all 16 and 17 year olds;
- 18–20 year old care leavers;
- vulnerable care leavers, former members of the armed forces and former
- prisoners; and
- people who are vulnerable because they are fleeing violence.

In the countdown to the 1997 general election, New Labour was critical of the Conservative Party's homelessness record. Its manifesto declared 'Homelessness has more than doubled under the Conservatives. Today, more than 40,000 families in England are in expensive temporary accommodation' (Labour Party, 1997, p 10). Embarrassing, then, that under New Labour, 101,000 households were in temporary accommodation in 2004/05. Part of this increase is attributable to the eligibility liberalisation under the 2002 Act but the trend had been upward since 1997 and reflected a growing housing shortage. In response to this increase in officially recorded homelessness New Labour developed a prevention strategy.

The Office of the Deputy Prime Minister (ODPM) defined homelessness prevention as 'providing people with the ways and means to address their housing and other needs in order to avoid homelessness' and set out a homelessness prevention strategy with the principal feature being a

housing options interview prior to a formal homelessness acceptance interview when ways of preventing an homelessness application were discussed. Options included:

- rent deposit/bond schemes;
- mediation with landlords/friends and relatives;
- tenancy support; and
- sanctuary schemes, that is, providing ‘safe’ or ‘panic’ rooms in the homes of domestic violence victims to enable them to remain in their home unharmed.

Some of these options were helpful but it was difficult to escape the conclusion that the strategy was more about preventing politically damaging homelessness statistics than preventing homelessness (see Pawson, 2009).

New Labour’s strategy of applying a ‘prevention’ strategy to statutory homelessness in England was very successful in reducing the ‘headline’ homelessness statistics. The number of homelessness acceptances dropped from 141,400 in 2004 to 56,350 in 2011 and the number of households in temporary accommodation fell from 101,020 to 48,010 over the same period (Stephens et al, 2019). The DCLG (2010b) estimated that in 2009/10, 165,200 cases ‘of homelessness prevention or relief’ had taken place outside the statutory homeless framework in England (‘relief’ relating to helping people who were not eligible for direct assistance under the homelessness legislation, such as single ‘non-vulnerable’ adults) with 140,900 related to ‘prevention’.

The origins of New Labour’s rough sleeping strategy have been described in the 1991 to 2001 post. The strategy was sustained in the 2000s and the 2008 review *No one left out: Communities ending rough sleeping* (DCLG, 2008) proclaimed success – the target to reduce rough sleeping by two thirds had been met and sustained with rough sleeping down from 1,850 in 1998 to 483 in 2008.

Outcomes

There were an estimated 22.9 million *dwelling*s in *England* in 2011 and 22.4 million households compared to 21.2 million *dwelling*s and 20.2 million households in 2001, a sharp fall in the *dwelling*s to households ‘surplus’. Tenure change was significant with owner-occupation declining from 69.5% in 2001 to 65.2% in 2011. Private renting increased from 9.9% in 2001 to 17.9% in 2011. The local authority sector fell from 13.3% to 7.5% over the period and the housing association sector expanded from 6% to 9.8% (Stephens et al, 2019).

Expenditure on housing

First time buyer mortgage cost to income increased from 17 in 2001 to 23.9 in 2007 before falling to 18 in 2011 and the cost for former owner-occupiers increased from 16.1 in 2001 to 20.4 in 2007, dropping to 16 in 2011 (Stephens et al, 2019).

As a per cent of average earnings local authority rents increased from 10.5 in 2001 to 12 in 2011, housing association rents from 12.3 to 13.3 and private market rents from 19.6 to 26.6 (Stephens et al, 2019). Between 2001 and 2011, in the 10% most deprived areas, private renting increased by 89.5% and, in the second most deprived area, by 84.4% compared to a 37.5% increase in the least deprived areas and 47.5% in the second least deprived areas (Rhodes, 2015). Households renting privately spending more than a third of income on rent increased from 33% in 2001 to 39% in 2011 (Rugg and Rhodes).

The number of Housing Benefit claimants in Great Britain increased from 4 million in 2000 to 4.8 million in 2011 with the average claim increasing from £52.22 in 2000 to £87.4 in 2011. Spending on Housing Benefit increased from £11.7 billion in 2000/01 to £21.4 billion in 2010/11 (Stephens et al, 2019).

Overcrowding

The statutory overcrowding standard, under which local government can take action to end the overcrowding dates back to 1935 and is very low. As Ormandy (1991, p 9) observes: ‘the average two storeyed, terraced house (with three bedrooms, two living rooms and a kitchen) could be occupied by the equivalent of 10 persons without being overcrowded — and that could mean six adults and eight children aged between one year and 10 years. In the 2000s several (unsuccessful) attempts were made to change this standard. However, in 2007, New Labour produced an action plan involving piloting a new statutory standard based on the bedroom definition in 38 local authorities. This was accompanied by extra resources for the authorities with the most acute problems to extend and convert stock and use cash incentives to make large houses available. Overcrowding, defined by the bedroom standard (see Lund, 2017 for definition) increased from 3.5% of households living in the private landlord sector in 2001 to 6.8% in 2011. Given the large increase in private renting this meant an increase from 73,115 in 2001 to 275,635 in 2011. The increase was from 5.4% to 6.7% for households in the social rented sector. For homeowners, there was a small decline from 1.3% to 1.2%.

Energy Efficiency

In addition to its measures on existing homes, New Labour attempted to improve domestic energy efficiency by enhanced standards for new homes. The Green Paper *Homes for the Future: more affordable, more sustainable* (DCLG, 2007) proposed to phase in enhanced building regulations so that, by 2016, all

new homes would be ‘zero carbon’, defined as ‘over a year, the net carbon emissions from all energy use in the home would be zero’. To promote this objective, it was announced that new zero carbon homes valued at up to £500,000 would be exempt from Land Stamp Duty Tax and five new eco-towns would be created. Only one eco-town started, named North West Bicester.

In 2001 the average Energy Efficiency Rating (EER) for owner occupied stock was 45. This had increased to 54.3 in 2011. For the private rented sector the EER was 42.8 in 2001 and 53.9 in 2011. In the local authority the EER improved from 49.6 to 60.8 and, for Housing Associations, from 55.2 to 63.4 (Stephens et al 2019).

On the 10% indicator (spending more than 10% of income to maintain a home to an adequate warmth standard) the number of fuel poverty households in England increased from 2 million in 2001 to 3.2 million in 2011 (Department for Energy and Climate Change, 2013).

Scotland, Wales and Northern Ireland

Birrell (2009, p 94) placed devolved housing policy in his ‘incremental change and low level differences’ category, as opposed to his ‘innovations flagship policies and distinctiveness’ grouping.

Mullins and Murie (2006, p 10) concluded their devolution discussion by stating that ‘It seems unlikely that devolution will exert a sufficiently strong influence to overwhelm the nationalizing, unifying and converging forces of national economic management, global markets and “housing developers” approaches to design and marketing’. However, the 2000s was a singular time for housing policy. New Labour — proud to be without ideology and with the motto ‘what works counts’ — was in control at Westminster as well as in Wales and Scotland, whereas in Northern Ireland, sectarian politics dominated the political agenda. In the 2000s housing policy under devolution tended to follow Westminster initiatives with Scotland, Wales or Northern Ireland added to the initiative’s title. None the less policy divergence emerged.

In Scotland, a ‘rights-based’ approach to homelessness was developed. The Homelessness (Scotland) Act 2003 made provision for the distinction between priority and non-priority need to be gradually phased out, so that, by the end of 2012, all unintentionally homeless people would be entitled to ‘settled’ accommodation, not an ‘assured short-hold’ dominant in the private landlord sector. As the distinction between priority and non-priority need was introduced there was a rapid rise in the number of households in temporary accommodation — up from 4,060 in 2002 to 10,815 in 2010 (Stephens et al, 2019). The percentage of new ‘social’ landlord lets to homeless people increased from 26.8% in 2004/05 to 44.5% in 2010/11, prompting some concern about the system acting ‘against “hard working families” who wish to remain in their local area close to their existing kin networks’ (McKee and Phillips, 2012, p 230). In response to the ‘homelessness route’ becoming dominant in

access to social housing, Scotland adopted the English 'prevention' strategy. In 2009, new guidance was issued to local authorities on homelessness 'prevention' endorsing the housing options approach although, in Scotland, 'prevention' was not applied with the same zeal as in England.

The Scottish Executive also developed a distinct approach to the Right to Buy. The 2001 Housing (Scotland) Act introduced the Scottish secure tenancy providing a single, common tenancy for nearly all tenants of local authorities and housing associations in Scotland and introduced the 'modernised right to buy' for new social tenants with the qualifying period extended from two to five years and discounts subject to a £15,000 maximum. In 2007, the Scottish National Party formed a minority government. The 2010 Housing (Scotland) Act abolished the Right to Buy for new tenants. However, despite these gestures applying to new tenants, the Right to Buy was more buoyant in Scotland compared to England because in Scotland, existing tenants were not subject to the limitations on discounts imposed in England in the mid-2000s. Average discounts in Scotland were 57% in 2008, compared to 28% in England (Wilcox et al, 2015) and the Treasury did not appropriate the lion's share of capital receipts.

Devolution of housing powers was slower in Wales than in Scotland and throughout the 2000s housing policy in Wales was very similar to policy in England. Given the Northern Ireland Housing Executive's dominance in housing since its formation in 1971 to take sectarian politics out of housing policy, the long suspension of the Northern Ireland Assembly and the power sharing built into the devolution agreements, it is not surprising that housing policy in Northern Ireland has been described as 'technocratic' (Muir, 2012). Overall, policy has tended to reflect English policy modified in relationship to Northern Ireland's 'civic dynamics'. Thus, for example, stock transfer from the Northern Ireland Housing Executive was not promoted due to 'the potential problems of community ownership in the context of communal conflict' (Birrell, 2009, p 67).

Northern Ireland was strongly affected by the 2000s housing market boom and bust. In 2002, the average Northern Ireland house price was 35% less than the UK average; by 2007, it was 2% more. The 'peace dividend', the close connection to the 'Celtic Tiger' Irish economy and the credit boom all contributing to the bubble. The bubble burst in 2008, and by 2011, the average house price was down to £141,331, 42% less than the UK average. However during the housing boom years, 2001-2007, the Northern Ireland Housing Executive, relatively unrestricted by planning constraints, and assisted by large resource injections from Westminster, succeeded in boosting housing output: new housing production per thousand population averaged 8.1 compared to 3 in England. In the 'social' sector, Northern Ireland adopted the English decent homes standard and the injection of resources into meeting this standard resulted in the number of social homes falling below the decent homes standard reducing from 32% in 2001 to 11% in 2011 (Frey and Brown, 2016).

Conclusion

Post 2010 housing policy in England, under the ‘austerity agenda’, moved to the right. This met with resistance from the devolved governments — even in Northern Ireland there was political consensus in opposition to the ‘bedroom tax’ and, from 2010 to 2020 the devolved governments, as will be demonstrated in a later post, developed policies different to those pursued in England. Indeed, to some commentators, England became an ‘outlier’ in housing policy (McKee et al, 2017, p 60).

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2011 to 2020

In 2010 the Liberal Democrats joined the Conservative Party in a coalition government led by David Cameron but, in the 2015 General Election, the Conservative Party obtained a 12 seat working majority. Prime Minister, David Cameron, resigned after 2016 European Union Referendum and was

replaced by Teresa May. Following the 2017 General Election, the governing Conservative Party remained the largest single party in the House of Commons but lost its majority, resulting in the formation of a minority government with a confidence-and-supply arrangement with the Democratic Unionist Party (DUP) of Northern Ireland. Teresa May resigned in 2019 and was replaced as Prime Minister by Boris Johnson. The 2019 General Election produced an 80 overall Conservative majority in Parliament. As a result of these political changes, four phases in housing policy post 2010 can be identified.

THE COALITION GOVERNMENT

Planning

Housing policy under the Coalition Government was dominated by the Conservative agenda. New Labour had identified land release as crucial to new housing supply and introduced Regional Spatial Strategies to boost land supply. The manifestos produced by the Conservative and Liberal Democrats argued that New Labour's Regional Spatial Strategies should be scrapped and decision making powers on planning restored to local government. The Coalition's [*Our Programme for Government*](#) (2010) stated 'We will rapidly abolish Regional Spatial Strategies and return decision-making powers on housing and planning to local councils, including giving councils new powers to stop 'garden grabbing'. [Eric Pickles](#), Secretary of State for Communities and Local Government in the Coalition Government immediately axed what he called New Labour's 'soviet tractor style' Regional Spatial Strategies. This was officially sanctioned by the 2011 Localism Act that, in accordance with the Conservative Party manifesto, also introduced a neighbourhood dimension to granting planning permission. However, an investigation by Tetlow King Planning demonstrated that local authorities had reduced planning targets by 221,000 dwellings by not adhering to RSS figures with the highest cuts in the South. This started alarm bells in the Treasury, and in his 2011 Budget speech, Chancellor [George Osborne](#) stated that planning was a 'chronic obstacle' to economic growth. He declared that there would be 'a new presumption in favour of sustainable development'.

The [Draft Planning Policy Framework](#) (DCLG, 2011) was a victory for the Treasury in its ambition to make the planning system an economic growth mechanism. It asserted that 'Planning must operate to encourage growth and not act as an impediment'. Although the framework re-emphasised local plan importance, it announced that local authorities should

‘grant permission where the plan is absent, silent, indeterminate or where relevant policies are out of date ... there should be ‘a presumption in favour of sustainable development’. Reflecting New Labour’s approach to setting regional targets, it claimed that ‘planning policies and decisions should take into account local circumstances and market signals such as land prices, commercial rents and housing affordability’ Each local plan would be examined by an independent examiner, whose role was to assess if the plan was ‘sound’, that is, objectively ascertained need and identified and maintained a ‘rolling supply of specific deliverable sites sufficient to provide five years’ worth of housing against their targets.

Although strident opposition from Tory backbenchers, the Campaign to Protect Rural England, the National Trust and the Telegraph produced a diluted version of the Draft Planning Policy Framework, in the final policy statement ([DCLG, 2012](#)), the essential elements remained intact.

From 2012 to 2015 Housing and Planning ministers came and went but despite incentive schemes such as the New Homes Bonus — a rebranded version of New Labour’s Planning Delivery Grant — and threats that, on appeal, planning permissions would be granted in the absence of an approved local authority up-to-date local plan, inertia prevailed. Nick Boles, appointed Planning Minister in November 2012, tried hard to boost land release but was removed from the post in 2014, having been asked to apologise for losing Tory seats ([Telegraph, 2014](#)). Little pressure was applied to local authorities to produce an up to date plan and Eric Pickles blocked planning approvals for 9,200 homes in the run up to the General Election ([Inside Housing, 2015](#)).

[Alex Morton](#) (2016), having left his position as housing advisor to the Prime Minister, said:

When I was in Number 10 and dug out the figures (which officials were not keen to share) fewer than ten councils (out of 326) turned out to have an up to date local plan and deliver their housing need. A similar number do so without an up to date local plan. Thus over 300 councils failed to oversee delivery of housing need. This is the housing crisis in a nutshell.

The DCLG set up an expert group to investigate how the local plan process was operating.

Although the complex and disputed nature involved in assessing housing need was recognised as major obstacle to timely local plan production, the Local Plans Expert Group identified political as well as technical problems. These included ‘difficulties with the Duty to Cooperate, including the distribution of unmet housing needs’ and ‘a lack of political will and commitment’ ([Local Plans Expert Group, 2016](#)).

Owner-occupation

The 2010 Conservative Party’s manifesto ([Conservative Party, 2010](#)) stated:

We want to create a property-owning democracy where everyone has the chance to own their own home. That is why we will permanently raise the stamp duty threshold to £250,000 for first-time buyers, meaning nine out of ten of them will pay no tax on their first home purchase.

The Stamp Duty threshold was immediately increased but, by 2013, owner-occupation in England was declining rapidly, down from 65.2% in 2010 to 63.2% ([Stephens et al, 2019](#)) and, in 2013, new house construction by private enterprise was only 87010, about the same level as in 2010. The trend prompted the Coalition to introduce its ‘reinvigourated’ Right to Buy (see below) and measures were introduced to boost the housing market. ‘Quantitative Easing’ — augmented the money supply — was accompanied by the Funding for Lending Scheme, designed to encourage banks and building societies to expand their lending to households and private businesses, by providing government funds at cheaper rates than those prevailing in the current markets and with the quantity and the price of these funds linked to the amount of lending that was achieved.

However, Help to Buy was the major initiative. This was an extension of more targeted New Labour’s schemes and consisted of two elements. In the Equity Loan element the government offered a 20% equity loan (later raised to 40% in London) to buyers of newly built properties up to the value of 600,000 who had a 5% deposit. In the Mortgage Guarantee borrowers put down a deposit of 5% of the property price and the lender offered a mortgage covering the other 95%. Lenders paid a fee to the government that provided a seven-year taxpayer guarantee covering 15% of the loan value. The maximum property price eligible was £600,000 (existing or new-build) and there was no cap on the maximum household income eligible for inclusion. The Mortgage Guarantee was closed to new applicants in 2016.

These schemes added zest to the housing market in time for the 2015 General Election: existing homeowners do not like house price decline or stagnation ([Dorling et al 1999](#)). House prices in England increased from £256,000 in 2011 to £291,000 in 2015 and price increases for first time buyers, minus 2.5% in 2011, were plus 6.5% in 2015 ([Stephens et al, 2019](#)) — but London accounted for a large proportion of this increase. Much of the Funding for Lending funds was taken up by private landlords, not by potential first-time buyers ([Robinson, 2018](#)).

The Right to Buy

Under the ‘reinvigorated’ Right to Buy for council tenants the maximum discount across England was raised to £75,000, a large increase on the maximum allowed by New Labour that ranged from £38,000 to £22,000. Cameron promised a one for one replacement of council houses sold under the ‘revitalised’ Right to Buy but this promise was not kept. Treasury constraints on the use of receipts made it difficult for local government to replace the homes. By mid-2015, 30,000 council homes had been sold in the three years since Right to Buy discounts increased, but only an estimated 3,337 replacements, financed by sales, had started ([Apps, 2018](#)).

Local Authority Housing

In opposition, the Conservative Party developed a disparaging attitude to the poorer sections of the population. [Boris Johnson](#) (2005) referred to ‘the bottom 20 per cent of society’ as ‘the group that supplies us with the chavs, the losers, the burglars, the drug addicts and the 70,000 people who are lost in our prisons and learning nothing except how to become more effective criminals’. This ‘underclass’ theme was taken up the Centre for Social Justice, established by Iain Duncan Smith, and council house tenants were implicated in the narrative. Such views met with criticism leading to the statement in the 2010 Conservative Party manifesto to ‘respect the tenures and rents of social housing tenants’.

Between 2010 and 2015 local authority rents increased from 11% of average earnings to 13.9%. Moreover, lower income tenants were hit by cutbacks in Housing Benefit entitlements and the ‘bedroom tax’ — called the ‘spare room subsidy’ by the government — restricting HB for social tenants to a specified number of bedrooms. The Government estimated that on average, people affected by this change would pay an extra £14 per week but, for many, it was much more.

Housing Associations

The 2010 Spending Review announced that £4.5 billion would be made available to fund new affordable homes over the Review period — a reduction in funding from £8.4 billion in the previous Spending Review ([Wilson, 2019](#)). New social housing would be let at ‘affordable’ rents — up to 80% of market level — rather than at ‘social’ rents — about 50% of the market rate — and, on vacant possession, social housing providers were expected to let a proportion of their existing stock at ‘affordable’ rents. The policy had the hallmarks of Ridley’s 1988 move to market rents, with Housing Benefit ‘taking the strain’. Under New Labour social rents were usually increased by 0.5% above inflation as part of a complicated process of gradually aligning housing association and local authority rents according to a common formula. The Coalition government boosted the annual increase to the RPI + 0.5% + up to £2 per week, considerably increasing housing association resources but reducing tenants’ incomes.

In 2015 Chancellor George Osborne announced that social housing rents would be reduced by 1% a year for four years resulting in a 12% reduction in average rents by 2020-21, perhaps to cut Housing Benefit expenditure and force associations to comply with other government policies such as converting social rents to ‘affordable’ rents and selling their stock. However, from 2020/1 rents are scheduled to increase by 1% above inflation.

Between 2011 and 2015 housing association social rents increased from 12.7% to 14.3% of average earnings and ‘affordable’ rents from 18% to 22% ([Stephens et al, 2019](#)). In addition housing association tenants were hit by the cutbacks in Housing Benefit entitlements and the ‘bedroom tax’ so Housing Benefit absorbed very little of the strain. From 2009/10 to 2015/16 mean housing association house rents increased by 38.6% after HB ([MHCLG, 2018](#)).

Private renting

It had been an ambition of both the major political parties to involve institution investors in the supply of new rented accommodation. The coalition government set up a £1 billion Build to Rent fund to help finance the construction of homes until they are let and to create new ‘demonstration’ projects.

The proportion of households renting privately continued to increase, assisted by the decision of the Financial Conduct Authority to prohibit Interest-only mortgages were prohibited except in special circumstances, base borrowing on how much applicants would have left after regular expenditure, rather than on their income, and insist that lenders would have to check that people could still afford repayments should interest rates rise, rules that, at the time, did not apply to buy to lend mortgages. This meant that private landlords benefited disproportionately from the Funding for Lending scheme.

The movement into the private rented sector plus the social housing measures of the Coalition government continued the process of raising housing costs for low-income families with children.

[Cribb et al](#) (2018 p 36) comment:

Between 2002–03 and 2016–17, real mean housing costs among households with children in the bottom 20% of the AHC income distribution rose by 47% (from £67 to £98), compared with an increase of 11% (from £58 to £64) among children in the middle income quintile. Changes in housing costs not covered by housing benefit have also been much higher for low-income children than for middle-income children.

Homelessness

In opposition, the Conservative Party, anxious to ditch its ‘nasty’ party image, concentrated on ‘rough sleeping’, the most visible, homelessness issue. Grant Shapps, to become Housing Minister, slept rough to attract attention to the problem, and in 2008, the Conservatives set up the Homelessness Foundation, with an advisory panel with the leading homelessness organisations represented. When the Homelessness Foundation was launched, [Cameron](#) said: ‘I think that it is simply a disgrace that in the fifth biggest economy in the world that we have people homeless, people sleeping on the streets, sofa-surfers, people in hospitals’. In power with the Liberal Democrats, the Conservatives government set up a ministerial working group on homelessness was set up, and, in 2011, [Vision to End Rough Sleeping: No Second Night Out](#) was published. It committed the government to working with the voluntary sector to reduce rough sleeping based on six principles, the dominant one being that ‘new rough sleepers should be identified and helped off the streets immediately so that they do not fall into a dangerous rough sleeping lifestyle’.

The ministerial working group on homelessness gradually expired and the official rough sleeping count — almost certainly an undercount — increased from 1768 in 2010 to 4134 in 2016 ([MHCLG, 2018](#)). Statutory homelessness also accelerated under the Coalition government. Despite stepping up New Labour’s ‘prevention and relief’ strategy the number of households in temporary accommodation increased from 48,010 in 2010 to 69, 930 in 2015 ([Stephens et al, 2019](#)).

CAMERON’S CONSERVATIVE GOVERNMENT

The [2015 Conservative Party Manifesto](#) stated:

The chance to own your own home should be available to everyone who works hard.

We will:

- help to keep mortgage rates lower by continuing to work through our long-term economic plan;
- build more homes that people can afford, including 200,000 new Starter Homes exclusively for first-time buyers under 40;
- extend the Help to Buy Equity Loan scheme to 2020 to help more people onto and up the housing ladder, and introduce a new Help to Buy ISA to support people saving for a deposit;
- give more people the chance to own their home by extending the Right to Buy to tenants of Housing Associations and create a Brownfield Fund to unlock homes on brownfield land;
- ensure local people have more control over planning and protect the Green Belt.

Starter Homes

The Starter Homes scheme had been announced towards the end of the Coalition government's term in office and became a flagship policy of Cameron's 2015 government. Under the scheme, people aged between 23 and 40 with a household income of £80,000 or less (£90,000 in London) would be able to buy new-build properties at a discount of at least 20% if the discounted price was less than £450,000 in London but £250,000 everywhere in England. Starter homes would usually be built on underused or brownfield land previously used for commercial or industrial purposes. Starter homes hardly started probably because finding brownfield land at well below the market price was difficult.

The Right to Buy for Housing Association tenants

The original Conservative proposal was for a statutory Right to Buy for housing association tenants on the same terms as the existing Right to Buy for council tenants financed by requiring English local authorities to make an annual payment to Government in respect of the expected sales of 'higher value' vacant stock over the year. However, opposition from Housing Associations and the possibility that the measure may not get through the House of Lords produced an agreement with the National Housing Federation, representing social housing suppliers, on a scheme committing housing associations to voluntary Right to Buy. The *Housing and Planning Act 2016* **did not** contain measures to implement a statutory RTB for housing association tenants but contained measures that would have

forced local government to sell 'higher value' vacant stock to compensate these housing associations for selling their housing assets at a discount to tenants.

Private renting

Between the elections of 2010 and 2015 there was a 10% swing from Conservative to Labour amongst private tenants.

In 2015 Chancellor [George Osborne](#) said:

First, we will create a more level playing field between those buying a home to let, and those who are buying a home to live in. Buy-to-let landlords have a huge advantage in the market as they can offset their mortgage interest payments against their income, whereas homebuyers cannot.

He announced that offsetting mortgage payments against rental income for tax purposes would be reduced in phases reaching standard income tax rate by 2020. Moreover, rather than receive an automatic 'wear and tear allowance', landlords would have to demonstrate that they had replaced furniture and fixtures. In his 2015 Autumn Statement he stated: Frankly, people buying a home to let should not be squeezing out families who can't afford a home to buy. So I am introducing new rates of Stamp Duty that will be 3 per cent higher on the purchase of additional properties like buy-to-lets and second homes' ([Osborne, 2015](#)). In 2016 the Home Building Fund — managed by Homes England and replacing the Build to Rent Fund — provided funding for private sector development schemes including those for build for rent. In addition, a £3.5 billion Private Rented Sector Guarantee scheme was established to underwrite 20% of the finance needed for new private rented homes. Land Stamp Duty Tax on build to rent could be substantially reduced by using 'multiple dwelling' relief and the 'six dwelling' rule ([HMRC Internal Manual, 2016](#)).

TERESA MAY'S HOUSING POLICY

Theresa May distanced herself from the Cameron's housing policies. The voluntary Right to Buy for housing association tenants was put on the backburner and the Green Paper, *A New Deal for Social Housing* ([MHCLG, 2018](#)), announced that the Government would not "bring the Higher Value Assets provisions of the Housing and Planning Act 2016 into effect", placing serious doubts on the future of the housing association Right to Buy scheme. Although some starter homes entered the pipeline, delivery was slow and, by July 2018, no starter home had been completed.

The Brexit vote in the 2016 European Union revealed that people living in the more deprived areas of England and Wales voted for exit and voter turnout in such areas was high. One commentator

observed ‘In this Brexit vote, the poor turned on an elite who ignored them’ ([Jack, 2016](#)). Teresa May appeared to have absorbed the message. Her first speech as Prime Minister was replete with phrases such as ‘fighting against the burning injustice that, if you’re born poor, you will die on average 9 years earlier than others’ and ‘if you’re a white, working-class boy, you’re less likely than anybody else in Britain to go to university’ ([May, 2016](#)). The White Paper *Fixing Our Broken Housing Market* ([DCLG, 2017](#)) quoted a ‘consensus’ of 225,000 to 275,000 homes per year and this appeared to have become the government’s target. The White Paper contained a plethora of minor proposals to boost housing supply and alleviate current housing problems but some had significance.

Planning

Rather than allow local authorities to assess their total housing requirements they would be set by central government according to a formula, published in *Planning for the right homes in the right places: consultation proposals* ([DCLG, 2017](#)). It involved:

- A demographic baseline of the annual average household growth in a local planning area over a ten year period;
- Taking market signals into account. The market signal proposed was ‘the workplace-based median house price to median earnings ratio from the most recent year for which data is available’ and the assumption would be made that ‘each 1 per cent increase in the ratio of house prices to earnings above four results in a quarter of a per cent increase in need above projected household growth’. Thus, in any area where the average house prices are more than 4 times average earnings, the number of homes needed to be planned for increases by 0.25% for every 1% the affordability ratio rises above 4 (para 18);
- The area used for estimating requirements would be the local planning authority area and, where requirements crossed boundaries, ‘housing need for the defined area should be the sum of the local housing need for each local planning authority. It will be for the relevant planning authorities or elected Mayor to distribute this total housing need figure across the plan area’ (para 31);

- Because the new approach to assessing housing requirements would result in some areas having a large increase in housing need, expectations of future supply would be limited to 40% above supply already planned.

The document did not give estimates of social rent or affordable homes requirements, indicating a central government concern with demand rather than need. It would be up to local planning authorities — subject to central guidance — to disaggregate their housing requirements as set by central government into the different sizes, types, tenures and rent levels required in their local areas.

Planning for the right homes in the right places: consultation proposals was a ‘technical fix’ to conflicts between the central government’s views on the number of new homes required and local resistance to new house building. It forms the basis of a ‘Delivery Test’ that gives the MHCLG a figure, independent of locally made assessments, on the total new housing supply in each local authority deemed necessary against which performance can be assessed and the MHCLG have announced various sanction levels that can be imposed on under-performers. The formula produced some curious outcomes. In London, the inner-London boroughs have large requirements for new homes compared to the outer-London boroughs. Hillingdon, for example, with swathes of green belt land and Boris Johnson’s constituency within its boundaries, had a housing requirement of 595 houses per year between 2016 and 2026 but Tower Hamlets had a 4873 per year requirement, indicating that high-rise will be necessary if Tower Hamlets and other inner-London boroughs are to attain their targets. Loading new build into inner areas to protect outer areas from new build, with *The National Planning Policy Framework* ([MHCLG, 2018](#)) demanding high densities, was reminiscent of Conservative policy in the 1930s and late 1950s. Even the modest proposals for new building in ‘middle England’ included in *Planning for the right homes in the right places: consultation proposals* appear to have encountered opposition in the Conservative Party and produced modifications. [National Planning Policy Framework: Draft text for consultation](#) stated that local planning authorities should produce ‘a strategy which will, as a minimum, meet *as much as possible* of the area’s objectively assessed needs’ (emphasis added).

The White Paper *Fixing Our Broken Housing Market* welcomed local housing companies as housing supply agents but said ‘we want to see tenants that local authorities place in new affordable properties offered equivalent terms to those in council housing, including a Right to Buy their home’ ([DCLG, 2017](#)). It also expressed concern about the dominance of volume builders in housing construction.

The Ministry of Housing, Communities and Local Government ([MHCLG, 2018](#)), in announcing an independent review to tackle barriers to building, said that ‘as of July 2016, just over half the 684,000 homes with planning permission had been completed’. The government announcing an inquiry into the unfulfilled planning permission issue.

The preliminary enquiry findings stated:

The fundamental driver of build out rates once detailed planning permission is granted for large sites appears to be the ‘absorption rate’ — the rate at which newly constructed homes can be sold into (or are believed by the house-builder to be able to be sold successfully into) the local market without materially disturbing the market price.

([Letwin 2018](#))

In other words, builders will only build if they can sell at a price that maintains local market prices and their profits, hence sustained high house prices are necessary to promote new building. Subsequent investigation led Letwin to conclude that the ‘absorption rate’ was particularly low on large sites and to attribute this to the homogeneous nature of the products on offer.

In his final report Letwin recommended new planning rules to provide incentives to diversify housing types on sites of over 1,500 units in areas of high housing demand ([Letwin, 2018](#)).

On private landlords the White Paper said:

The Government will continue to drive up safety and standards in the private rented sector, and drive out the rogue landlords. The Government will implement measures introduced in the Housing and Planning Act 2016, which will introduce banning orders to remove the worst landlords or agents from operating, and enable local councils to issue fines as well as prosecute. It also expressed interest in longer tenancies.

The volume builders benefited from the house price hike generated by Help to Buy, producing headlines such as ‘Housebuilders’ shares rocket to five-year high’ ([Construction News, 2017](#)). In 2017, the Help to Buy Equity Loan was augmented by exemption from Stamp Duty Land Tax for first-time buyers on properties worth up to £300,000 (with a 5% rate for property value from £300,000 to £500,000). An examination of Help to Buy by Morgan Stanley, revealed that new houses prices, exemption from Stamp Duty Land Tax for first-time buyers on properties worth up to £300,000 (with a 5% rate for property value from £300,000 to £500,000) boosted by the government’s Help to Buy scheme, had outpaced the prices for second-hand homes by 15% since the start of the scheme ([Collinson, 2017](#)). [Knowles \(2018\)](#) claimed that the average profit made by volumes housebuilders on each home doubled after the scheme was launched. The Stamp Duty Land Tax exemption for first-time buyers — forecast to cost £1,880 million in the four years to 2020/21, and £1,310 million in the two subsequent years — will also boost house prices, limiting its impact on home ownership access. May’s government injected extra resources into the Affordable Housing Programme allowing for an expansion of low-cost homeownership schemes.

Private renting

After a slow start, Build to Rent gained momentum. By 2018 about 20,000 homes had been completed with a further 119,500 under construction or in the planning process ([Inside Housing, 2019](#)). Letting Agency fees were abolished in England under the 2019 Tenant Fees Act.

Under Section 21, the 1988 Housing Act allowed landlords to give two months’ notice to their tenant that they will seek possession, and they did not need to provide a reason for eviction. Theresa May’s government indicated that Section 21 the 1988 Housing Act would be abolished and, to evict a tenant, landlords would have to use Section 8, a process that allows landlords to seek possession only on specified grounds, mainly that the tenant has breached the tenancy agreement. This includes more than two months of rent arrears, damage to the property and anti-social behaviour.

Social Housing

A fire broke out on 24th June in the 24-storey Grenfell Tower in North Kensington West London causing 72 deaths. Answering criticisms that the reference terms for the Grenfell Fire Inquiry were too narrow, Theresa May said: ‘I am determined that the broader questions raised by this fire —

including around social housing — are not left unanswered' ([Inside Housing, 2017](#)). She promised a Green Paper on social housing and said 'For too long in our country, under governments of both colours, we simply have not given enough attention to social housing' ([May, 2017](#)).

Published in August 2018, the Green Paper stated:

Stigma was the most consistent theme raised by residents at the engagement events. Residents told us that they were made to feel like 'second- class citizens'. They reported being treated as 'an underclass' and 'benefit scroungers', rather than hardworking and honest people. Some residents told us of a 'demonisation' of social housing and their communities in the media.

([MHCLG, 2018](#))

It declared 'This Government is determined to tackle such prejudice to ensure that the positive contribution that social housing residents make to their communities, and to society as a whole, is recognised' (p 48) but failed to apologise for the role played by prominent Conservatives in the stigmatisation process. Moreover, its specific proposals for overcoming stigma, such as a 'best neighbourhood competition', had a paternalistic aura and the notion that social housing should be 'a springboard to homeownership' (p 65) seemed to reinforce the idea that social housing was a second class tenure.

The Green Paper also acknowledged that tenants were unhappy with the responsiveness and performance of their landlords. It stated:

Residents should have a stronger voice to influence decisions and challenge their landlord to improve performance. They must also be able to access good complaints processes, as well as swift and effective redress where appropriate' (p 27).

To promote greater responsiveness to tenants the Green Paper put forward a number of suggestions, including strengthening the complaints procedures and boosting the information available to tenants via league tables on social housing provider performance.

Action on the Green Paper recommendations was limited but, none the less, the climate surrounding social housing became more benign. At the 2018 Conservative Party conference, Teresa May announced her plan to ditch the HRA borrowing cap that Savills suggested would enable 100,000 homes to be created (see [Apps, 2018](#)).

On homelessness extra resources to reduce rough sleeping were announced from time to time but the most significant action was contained in the 2017 Homeless Reduction Act that came into operation in 2018. It placed new legal duties on local housing authorities and amended the existing homelessness legislation in the 1996 Housing Act . These new duties applied were blind to

intentionality, priority need and to local connection. It required a thorough assessment and a personalised response agreed with applicants. It also extended from 28 to 56 days the period in which a household is defined as ‘threatened with homelessness’

OUTCOMES

There were 241,340 net additional dwellings in 2018-19 — 8% above the 2007/8 peak and 93% above the 2013/4 trough. This was a major achievement but the figures included 29,260 homes that were created through a change of use, including 12,032 from former offices. Such homes, built under the permitted development rules introduced in 2013, do not have to have planning permission and are often very small, some only 12ft by 12ft. Whether these new homes are in the right places is a moot point. Some local authorities have over-performed in delivery when measured by the somewhat loaded housing requirements expected by the government but 180 local authorities face sanctions under the MHCLG ‘delivery test’ ([Plainview, 2019](#)). Affordable housing supply fell from 60089 in 2010/11 to 57485 in 2018/9 with housing at social rent declining from 39562 in 2010/11 to 6287 in 2018/9 ([Homes England 2019](#)).

Owner-occupation

Evidence from the 2018/9 English Housing Survey indicates that owner-occupation reached 64% in 2018/9 albeit that the English Housing Survey statisticians stated that this increase was not statistically significant. The slight increase in homeownership has been concentrated in the age group 25 to 34 — 41.2% of people aged 25 to 34 were owner-occupiers in 2018/19, up from 37.6% in 2017/18 — but there has been a decline in owner-occupation amongst the group aged 55-64 ([MHCLG, 2020](#)). This evidence indicates that Help to Buy, reducing the tax concessions made to private landlords and the 3% Land Stamp Tax Duty levy on second homes are making a modest impact.

There has been a marked tendency for the proportion of outright homeowners, that is, those without mortgage debt, to increase with 53.4% of homeowners owing outright in 2017/8 compared to 46.9% in 2009/10. The ratio of median house price to median gross annual earnings increased from 6.9 in 2010 to 8 in 2018 ([Barton and Wilson, 2019](#)) but lower interest rates mitigated the impact. For first-time buyers mortgage cost to income increased from 17.8 in 2010 to 18.3 in 2018 and, for former owner-occupiers, from 16 to 16.7 ([Stephens et al, 2019](#)).

Private renting

The private renter proportion of housing tenure increased from 17.1% in 2010 to 19.9 in 2018/9 ([MHCLG, 2020](#)) but this was down from 20% in 2017. The proportion of households with children

renting privately escalated with 14.8 % of couples with dependent children in 2010/11 living in the private rented sector compared to 20.2% in 2017/8 albeit that this was below the 23.2 % in 2017/8. Rents as a proportion of earnings increased from 26.6% in 2011 to 30.1% in 2016 before declining to 28.5% in 2017([Stephens et al, 2019](#)). In 2018-19, the average (mean) rent (including Housing Benefit) for households in the private rented sector was £200 per week (MHCLG, 2020). Fewer private tenants became entitled to HB with 55.8% of couples with dependent children claiming HB in 2017/8 compared to 62.1% in 2010/11. Including HB, private renters 33% of their income in rent (33% after HB) [[MHCLG, 2020](#)].

Local authority rents were 12% of average earnings in 2010 and 12.9% in 2017 having peaked at 13.9% in 2015. Housing association 'assured' rents were 12.7 % of average earnings in 2010 and 13.2% in 2017, peaking at 14.3% in 2015. 'Affordable rents', an increasing proportion of the social housing stock, were 18% of average earnings in 2010 and 18.4% in 2017 having reached a highpoint at 20.3% in 2015 ([Stephens et al, 2019](#)). The fall in rents post 2015 was related to the Chancellor's decision in 2015 to reduce real social rents by 1% per annum for five years. Including HB, social tenants paid 27% of their income in rent ([MHCLG, 2020](#)). The percentage of working social renters receiving HB has increased from 19% to 28% in the past 10 years.

Overcrowding

The number of private renter households overcrowded by the bedroom standard increased from 187,000 in 2010 to 283,000 in 2018/19 and social renter households from 278,000 to 318,000 ([MHCLG, 2020](#)). 1% of owner-occupier households were overcrowded.

Non-decent Homes

Between 2010 and 2018/9 the percent of non-decent homes declined from 25.6% to 18.7% (owner-occupation); 37.2 % to 24.5% (private renting) and 19.9% to 12.7% (social housing) but progress was slowing down and, in the private rented sector the per cent of non decent homes increased post 2017.

Energy Efficiency

In 2010 the average Energy Efficiency Rating was 54.3 (owner-occupation); 53.9 (private renting) and 62.2 (social housing). In 2018/9 the figures were 60.9(owner-occupation); 62 (private renting) and 68% (social housing) but, post 2014, the rate of progress has slowed down.

Homelessness

In 2019, the total number of households in temporary accommodation was 86,130. These households included 124,490 children ([Wilson and Barton, 2019](#)). The Rough Sleeper count was 4677 in 2018.

SCOTLAND, WALES AND NORTHERN IRELAND

Under the Conservative led governments from 2010 housing policy moved towards the right in England but, in Scotland and Wales, there was a turn to the left. Northern Ireland has its own politics but the 'bedroom tax' generated opposition across the sectarian divide.

SCOTLAND

Owner-occupation

In 2010 63.8% of Scottish households were homeowners. Help to Buy (Scotland) was similar to Help to Buy in England. The shared equity scheme was aimed at helping both first-time buyers and home movers to purchase new build home with the Scottish Government taking a stake of up to 15% of the purchase price, holding security over this proportion until the home was owned outright. There was no 'reinvigourated' Right to Buy in Scotland. Indeed, in 2016, the Right to Buy was ended. In 2018 63% Scottish households were owner-occupiers.

Private Renting

12.2 % of Scottish households rented privately in 2010. Letting agent fees were banned in Scotland in 2012 and the 2016 Private Housing (Tenancies) (Scotland) Act introduced a new open-ended private residential tenancy to supersede existing tenancy arrangements and the new tenancy allowed local authorities in Scotland (with Scottish Government approval) to implement rent caps in designated areas where there are unwarranted rent increases and give tenants greater tenure security. By 2018 14.2% of Scottish households rented privately but the [Scottish Government](#) (2019) noted a small decline in 2018.

Social and Affordable Housing

In 2010 11% of Scottish households rented from a housing association and 13% were local authority tenants. By 2018, 10.8% rented from a housing association and 12% from a local authority ([Scottish Government, 2019](#)). Although using 'intermediate' rents, Scotland did not adopt the English move to 'affordable rents at up to 80% of the market rent.

Affordable housing is a flexible idea with low-cost home ownership included in the definition. Since 2008, Scotland and Northern Ireland have vied for the top affordable housing supply per 10,000

population league with, in 2018, Scotland in the lead at 16 and England, at 7, in third place ([Office for National Statistics, 2019](#)).

The average rent for a social sector property in Scotland in 2017/18 was £76.23, compared to £103 in England ([Scottish Government, 2019](#)), although London distorts this average. At 22.8% Scotland has a higher per cent of social housing than England (17%). The lower rents and a higher per cent of social sector homes are reflected in child poverty as measured before and after housing costs. In the past, Scotland's high local authority housing percentage has minimised the gap between child poverty before and after housing costs — the gap was only 3% in 2003 but Scotland's before/after housing cost child poverty gap has not increased by as much as in English Regions. For example, the gap in the North East in 2003 was 3%, it is now 9% ([Francis-Devine et al, 2019](#)).

Housing supply

From 2009/10 to 2018/9 an average of 3.1 new houses per 1000 population have been supplied in Scotland — a far better record than in England where, on average, 2.3 per 1000 population have been delivered.

Homelessness

'Headline' figures, such as homelessness acceptances and numbers in temporary accommodation, can distort homelessness reality. Scotland's more liberal attitude to homelessness acceptances and greater temporary accommodation use can put more people on a path to secure accommodation. Moreover, 'prevention' strategies to trim the homelessness figures have been less robust in Scotland than in England albeit that they were condemned by the [Scottish Housing Regulator](#) for gatekeeping. There has been more acceptances and more households in temporary accommodation per 1000 population in Scotland but, in 2018, 38.9% of all social housing lettings in Scotland were allocated to homeless households (19% local authority lettings and 23% housing association lettings in England ([Stephens et al, 2019](#))). Thus the system in Scotland supplies a faster route to secure accommodation than in England.

WALES

Housing responsibility devolution to Wales was slower than in Scotland with Wales not acquiring primary housing legislative powers until 2012. However, after 2010, policy started to diverge from England. In Wales, tight conditions were applied to Right to Buy discounts for new and existing tenants, whereas, in England, discounts were expanded with the outcome that, in 2015, the average discount in Wales was 20% compared to 45% in England. In 2017 the Right to Buy was abolished in Wales. The 2014 Housing (*Wales*) Act made the private landlord registration and licensing compulsory. Although a Help to Buy scheme was introduced in Wales, the National Assembly for Wales did not adopt the English ‘affordable’ rent policy and Wales introduced a more preventative legislative approach to homelessness, later adopted, with amendments, in England.

Post 2010, housing output in Wales dropped below output in England — an average of 2.3 per 1000 population in England between 2009/10 and 2018/19 compared to 1.9 in Wales. Moreover the proportion of ‘affordable’ homes has consistently been at the bottom of the home nation league table. Local authority rents in Wales are 14.5% of average earnings and housing association rents 14.9%. The gap between the per cent of children in relative poverty before and after costs, at 10% in Wales, is surpassed only by London (20%), the South West (13%) and the South East (12%) [[Francis-Devine et al, 2019](#)].

Housing Tenure

At 69.7% owner-occupation in Wales is high. Wales operates a shared equity loan to buyers of new-build homes. The scheme supports the purchase of homes up to £300,000 with a 20% shared equity loan.

In Wales 9.7% of households rent from a housing association and 6.1% from a local authority. Wales adopted the restrictions on the Right to Buy imposed by New Labour and had no truck with the more generous Right to Buy entitlements introduced by Coalition government or extension of the Right to Buy to housing association tenants. Indeed, the Abolition of the Right to Buy and Associated Rights (Wales) Act, 2018 ended the Right to Buy. 14% of households in Wales rent privately. The 2014 Housing (Wales) Act made private landlord and letting agency registration compulsory.

Since 2008 Wales has been at the bottom of the affordable housing production league supplying only 6 per 10,000 population ([Office for National Statistics, 2019](#)).

Homelessness

The Housing (*Wales*) Act 2014 contained measures aimed at preventing homeless but after a fall in the number of households in temporary accommodation the figure increased to 2,226 in 2019. 894

households were families with children, up from 801 households a year earlier. In November 2018, local authorities counted 158 people sleeping rough across Wales, down 16% from 2017 ([Welsh Government, 2019](#))

NORTHERN IRELAND

In 2010 the tenure division in Northern Ireland was 69.3% owner occupied; 14.1% private rented; 12.8% NIHE and 3.9% housing association. By 2018/9 the tenure division in Northern Ireland was 70% owner occupied; 13% private rented; 12 NIHE and 4% housing association ([Northern Ireland Department for Communities, 2019](#)).

Despite long periods without a Northern Ireland Assembly there are significant differences in policy and housing outcomes between Northern Ireland and England. Policy differences include a much lower cap on Right to Buy sales (called the House Sales Scheme in Northern Ireland) of £24,000; the exclusion of the NIHE from building new homes and the dearth of stock transfer to housing associations.

There have been reductions in new house building since 2008, but, between 2009/10 and 2018/9, an average of 3.3 new dwellings per annum per 1000 population were built in Northern Ireland and the proportion of social housing has been consistently higher than in England. Rents charged by the NIHE are lower than English local authorities at 11.4% of average earnings ([Northern Ireland Department for Communities, 2019](#)) and, although housing association rents in Northern Ireland are higher, housing associations supply only 4% of the housing stock. Although, at 23%, child poverty in Northern Ireland before housing costs is very high, its increase after housing costs is only 4%, the lowest increase in the UK ([Francis-Devine et al, 2019](#)).

Boris Johnson's Housing Policy

General Elections are fought in primary colours and, in the 2019 Election campaign, Brexit and the NHS dominating the list of public concerns with housing falling from fifth place in 2017 to seventh in 2019 ([Ipsos Mori, 2017](#); [Ipsos Mori, 2019](#)).

Based on Johnson's previous declarations on housing it can be said that he has an ambivalent attitude to New Towns. He accused Nick Clegg of planning to 'plonk colossal new Cleggograds and

CleGGopolises in Buckinghamshire, Oxfordshire and Berkshire’ (Johnson, 2014). However, he endorsed a recommendation by the Policy Exchange think tank to establish a ‘Department for Growth’ with responsibility for delivering 15 ‘beautiful’ new towns on the edge of London! (see [Apps, 2019](#)).

[Norwood \(2019\)](#) notes Johnson’s dislike for affordable home requirements on new housing developments, stating:

In the past also taken aim at councils (Conservative and Labour) which insisted on affordable homes on many schemes. “The reason the last Tory mayoralty [of London - Johnson himself] out-built Labour is that we imposed no such constraint – with the result that we got more housing built of all kinds” he claimed.

In fact, as [Apps \(2019\)](#) has carefully demonstrated, Johnson did not ‘massively out-build’ Labour in London, he built less.

Perhaps Johnson’s most significant pronouncement on housing policy before he became Prime Minister came in a speech at the [2018 Conservative Party Conference](#). He said:

It is a disgraceful fact that we now have lower rates of owner occupation — for under 40s — than the French or the Germans. That reflects the failure of governments for the last 30 years to build enough housing... And Labour’s instincts actually clash in a fundamental way with the instincts of ordinary people.

Worse still, Labour’s political interests — which centre on the building and control of state-owned housing — are diametrically opposed to the interests of most families...I have lost count of the times — and I bet you have too — when I have been out campaigning, and someone has told me on the doorstep that they would vote Conservative forever out of sheer gratitude to us for letting them buy their own home. That is what people want — the pride of having a place they own.

As might be expected, homeownership featured strongly in the [2019 Conservative Party manifesto](#). It stated ‘The biggest problem that young people face in getting on the housing ladder is the deposit’ and promised ‘a new market in long-term fixed rate mortgages which slash the cost of deposits, opening up a secure path to home ownership for first-time buyers in all parts of the United Kingdom’. Help to Buy would last until 2023, the voluntary Right to Buy for housing association tenants was endorsed and low-cost homeownership schemes would be simplified. In addition developers’ contributions via the planning process would be used to discount homes in perpetuity by a third for

local people who cannot otherwise afford to buy in their area. The manifesto stated ‘Councils could use this to prioritise key workers in their area, like police, nurses and teachers’.

For the social housing sector the manifesto stated:

As Boris Johnson has promised, we will bring forward a Social Housing White Paper which will set out further measures to empower tenants and support the continued supply of social homes. This will include measures to provide greater redress, better regulation and improve the quality of social housing.

We will also commit to renewing the Affordable Homes Programme in order to support the delivery of hundreds of thousands of affordable homes. This is a key part of our efforts to prevent people from falling into homelessness, along with fully enforcing the Homelessness Reduction Act. We will also end the blight of rough sleeping by the end of the next Parliament by expanding successful pilots and programmes such as the Rough Sleeping Initiative and Housing First, and working to bring together local services to meet the health and housing needs of people sleeping on the streets

On private renting, the manifesto promised to end to ‘no fault’ evictions and only require one ‘lifetime’ deposit which moves with the tenant. It also stated that ‘if you’re one of the many good landlords, we will strengthen your rights of possession

Perhaps the most striking declaration in the manifesto was the aim to build ‘at least a million new homes during the next parliament’, which implied a 200,000 homes a year target. This is lower than the current rate of new housebuilding — 213,660 new homes a year — and a lot lower than the 247,000 on the ‘net additions’ measure. Other manifesto declarations such as a promise to provide infrastructure before development takes place and the usual strong Conservative commitment to Green Belts indicated that Theresa May’s enhanced building programme was causing problems in the Tory heartlands (and beyond) so would be scaled back.

The December 2019 [Queen's Speech](#) made only two commitments: ‘New measures will be brought forward to protect tenants and to improve building safety. My Government will take steps to support home ownership, including by making homes available at a discount for local first-time buyers’.

Conclusion

New house construction accelerating at the end of the decade, but, overall, it was a dismal time for housing in England: new house construction was only 140,000 per annum on average. There have been significant changes in the tenure structure with owner-occupation increasing amongst the over 65 age groups but falling in all other age groups ([Resolution Foundation, 2019](#)).

The drop in homeownership amongst people below 65 was paralleled by rise in private renting. In England private renting increased by and the growth was especially high in households with children. This has serious long-term implications for future spending on the housing allowance of Universal Credit. It also impacts on wealth distribution.

The runes on future trends are difficult to read. The Conservatives, perhaps encouraged by notions that house prices are not influenced by supply ([Bow Group, 2015](#); [Mulheirn, 2019](#)) and resistance to new development, have scaled back anticipated future new home production. Whether new housing production will be switched away from social housing to homeownership is uncertain, with a reported spat between Ministers on this issue ([Birch, 2020](#)), Esther McVey argued for more social housing to consolidate Conservative gains in the North whereas Robert Jenrick, Secretary of State for Housing, Communities and Local Government, wanted more homes built for owner-occupation. Unsurprisingly, given the long-term Conservative preference for homeownership owner-occupation prevailed. Esther McVey was sacked as Housing Minister and the consultation paper First Homes : Getting You On the Ladder ([MHCLG, 2020](#)) announced 30% discounts on new homes for first-time buyers.

There are a number of legislative changes about to be implemented that may influence private landlordism Under the Fitness for Human Habitation Act landlords can be compelled to carry out improvement works to their properties and be sued for damages for the entire length of the contract. Tenants who signed contracts on or after 20 March 2019 were able to use the act right immediately, and as of March 20, 2020, it will be extended to cover existing statutory periodic tenancies

The Tenant Fees Act came into force in England in June 2019 and will be extended to cover all existing tenancies in June 2020. Landlords and letting agents cannot charge fees other than rent, deposits, holding deposits and charges for defaulting on the contract – with additional restrictions on how much tenants must pay. Post 2018 landlords have been unable to let their property to new tenants unless it has a minimum energy efficiency rating of E. This will be extended to cover all existing tenancies from April 2020.

Ending Section 21 was backed by all major parties ahead of the election, and in the Queen's Speech the government announced plans to bring in a Renters' Reform Bill, which it says will: "Introduce a package of reforms to deliver a fairer and more effective rental market."

The main components of the Bill are:

- Abolishing 'no fault' evictions by removing section 21 of the 1988 Housing Act;
- Giving landlords more rights to gain possession through the courts ;
- A new lifetime deposit so that tenants do not need a new deposit every time they move;
- Measures to increase access to and expand the scope of the rogue landlord and property agent database.

These developments, First Homes, the continued impact of Help to Buy and the 3% Stamp Duty Tax levy may help to scale back the private rented sector but Build to Rent is a strong counter force.

All references have hyperlinks