

Whatever Did Happen to Council Housing?

Abstract

In 1976 the [Community Development Projects](#) (CDPs) asked *Whatever Happened to Council Housing?* The projects were concerned about the quantity and *quality*. Written at the time when the Labour Government was in the process of curtailing house building by local government and concentrating assistance on specific urban areas with large slum problems, the CDPs' report gave detail on how, when local government new build housing has been focused on the needs arising from slum clearance home quality deteriorated.

This article updates the CDP analysis. It explores the precarious political foundations of the 1919 Housing, Town Planning, &c. Act and argues that the image of council housing was damaged by the very poor quality of the new homes built in the 1930s slum clearance drive, an impairment repeated from the middle 1950s as new council house building was re-focused on the needs arising from slum clearance and urban redevelopment.

The disillusionment of the Labour Party leadership with council housing, started in the late 1960s, is recorded and Margaret Thatcher's stratagems to eliminate the sector are examined. The objectives and outcomes of New Labour's stock transfer programmes are explored followed by a survey of how the coalition/ Cameron governments eroded local authority housing via the new Right to Buy, increased stigmatisation, benefit cuts and higher rents.

The products of Theresa May's more positive approach to local authority housing supply are recorded and the article ends with an examination of Boris Johnson's attitude to council housing, an overview and speculations on the implications of the Covid-19 pandemic.

Key terms:

Council; local authority; slum clearance; Right to Buy; stock transfer; stigma

See also:

<https://www.brian-lund-housing-blog.co.uk/>

Whatever Happened to Council Housing? was a question asked in 1976 by the [Community Development Projects](#) (CDPs). The projects were concerned about the quantity and *quality* of council housing. Written at the time when the Labour Government was in the process of curtailing house building by local government and concentrating assistance on specific urban areas with large slum problems, the CDPs' report gave detail on how, when local government new build housing has been focused on the needs arising from slum clearance, the standard of the homes deteriorated.

The Conservatives had always regarded council housing as, at best, a 'temporary expedient', needed to make good wartime housing losses and to help deal with the slum problem. In contrast, council housing alongside New Towns (that can be regarded as national state housing supply as they were delivered via state appointed New Town Development Corporations) were viewed by Labour as a permanent element in housing provision for a large part of the population.

1976 was a watershed in the Labour Party leadership's attitude to council housing. New UK local authority housing output declined from 146,360 in 1976 to 86,320 in 1979 and, having inherited an annual local authority production of 1546 from John Major's government, under New Labour, local authority output fell to 840 in 2009. Despite curtailing the Right to Buy in 2004, the proportion of households renting from local government fell from 16.7% in 1997 to 7.8% in 2010 in England with stock transfer to housing associations a significant cause.

New Labour boosted plans for new council house building in the 2008/10 recession and this was reflected in enhanced but small extra production during the early years of the Coalition government that promised the receipts from the enhanced Right to Buy would be spent on new council homes. The 2017 White Paper, published by Theresa May's government gave a cautious welcome to new council housing and removed some restrictions on the use of local government revenue streams to build new houses. None the less, the growth in new council houses in England has been painfully slow.

Historically the profile of council housing has been higher in Scotland than in England and Wales and this is reflected in the Scottish Government's approach to council housing today. Per head of population, more local authority houses have been built in Scotland than in England and Wales with a greater proportion at 'social' rent (see Lund, 2019).

Early Council Housing

The 1851 Labouring Classes Lodging Houses Act permitted local authorities to build 'model' lodging houses but very few local authorities used the Act and, in the late 19th and early 20th centuries, both

the Conservative Party and the Liberal Party were reluctant to allow local authorities to build homes. Indeed, the 1875 Artisans and Labourers Dwellings Improvement Act, allowing local authorities, in restricted circumstances, to build housing in clearance areas, contained clauses stating that they had to be sold within ten years. The 1885 Housing of the Working Classes Act allowed the London County Council to build homes, including 'separate houses or cottages, outside clearance areas, a power extended to all urban authorities in 1890 and, later, the selling of the homes became permissive.

If allowing local authorities to build houses was regarded with suspicion, subsidies were out of the question. Octavia Hill expressed the entrenched objection in stating 'never let them [the working class] accept a rate in aid of wages whether in the form of houses or anything else' (Hill, 1883, p 925). Lord Shaftesbury (1883) added: 'If the state is to be summoned not only to provide housing for the labouring class but supply such dwellings at nominal rent it will ... utterly destroy their moral energies'. Thus, local authority housing schemes had to be self-financing.

The London County Council was set up in 1889 and controlled for 18 years by the 'Progressives', an association of 'new' Liberals and socialists. They planned to build houses for the working class in a zone around London and bring the workers to the centre by trams. They were hampered by the legislation stating that council house schemes should be self-financing but self-financing was a flexible concept. As George Bernard Shaw (1908, p 72) pointed out, some local authorities, having had to buy land at market value, 'charged it to its housing schemes at its value for working class dwellings (a pure figment) the ratepayer making up the difference'. By 1914 very few local authority homes had been built ([Spensley, 1918](#)).

The 1919 Housing, Town Planning, &c. Act

The story of the 1919 Housing, Town Planning, &c. Act has been told many times. Here, the Act's precarious political foundations will be emphasised. In bouncing the Conservatives into accepting the legislation Lloyd George raised the 'Bolshevik Threat'. At a meeting in 1919 he told the Cabinet.

Russia had gone almost completely over to Bolshevism ... and in a short time we might have three-quarters of Europe converted to Bolshevism. None would be left but France and Great Britain. Great Britain would hold out, but only if the people were given a sense of confidence — only if they were made to believe that things were being done for them.... We must give them the conviction this time that we mean it, and we must give them that conviction quickly.... We were 300,000 houses below our normal level, and that level was itself far below what it should be.... Even if we could do all we wished to

do during the coming year, it would cost us £71,000,000. Even if it cost £100,000,000, what was that compared with the stability of the State?

([Lloyd George](#), 1919, p 529)

Was there a 'Bolshevik Threat' in the UK? Beatrice Webb claimed that Lloyd George exaggerated the threat for political reasons (MacKenzie and MacKenzie, 1984, p 349). He had a monopoly on the information coming from intelligence services — data he used 'in the same way that he approached everything else, with a keen eye for politics' ([Larsen](#), 2013 p 2) – to produce a 'dodgy dossier'. Intelligence reports at the time, subsequently published, do not reveal Bolshevik revolutionary movements outside Glasgow and the trade union leaders were intent on disassociating themselves from the shop stewards promoting unofficial strike action.

The Liberal Party was antagonistic to subsidised council housing. It regarded housing associations, especially working-class self-help organisations, as the way to augment the housing market. Indeed, Henry Harvey Vivian, a carpenter and Liberal politician, set up a company to develop 'co-partnership' housing associations, with shareholders, including tenants, and other investors in the venture. Housing subsidies were viewed by the Liberals as a way of reducing wages and they promoted Wages Councils to set minimum wages in selected industries. Subsidised council housing did not feature in Lloyd-George's Urban and Rural Land Campaigns in 1913 and early 1914 that had a limited impact.

The failure to commit to subsidised housing for the rural and urban working class, whereas Labour endorsed such subsidies, was significant (Packer, 2001). Perhaps, Lloyd-George's endorsement of subsidised council housing in 1919 was an attempt to distance his Liberal Party from Asquith's Liberals. Even the Lloyd George Liberal's commitment to council houses was limited. Christopher Addison, responsible for the housing programme and a strong advocate of subsidised council housing announced in 1919 that subsidies would be 'time-limited', indicating a seven-year duration stating 'we cannot undertake under any circumstances to subsidise a rent that is lower than what ought properly to be charged' (Addison, 1919, quoted in Orbach, 1977, p 78),

Under pressure from an 'anti waste' campaign in Lord Rothermere's newspapers, calls from the Geddes Committee on public expenditure reduction to stop council house subsidies and demands from Conservative MPs to cut state spending, Lloyd Gorge capitulated. In late 1921 subsidies were axed.

'General Needs' and Slum Clearance

Axing council house subsidies did not save Lloyd George. The Conservatives withdrew their support for the Coalition government in 1922 and Bonar Law became Prime Minister.

As the 1919 Housing, Town Planning, &c. Bill passed through Parliament a number of Conservatives suggested that subsidies should be offered to private builders rather than local government. In 1919 limited subsidies became available but under the 1923 Housing Act state assistance to private enterprise became the principal method of boosting housing supply. The Act offered £6 per house to local authorities and private builders but local authorities could build only when they had demonstrated that private enterprise could not meet local requirements.

Housing was a major issue in the countdown to the 1923 General Election and, although the dominance of tariff reform mitigated housing's impact, the Conservatives lost 86 seats with Labour gaining 49 and the Liberals 43. With Liberal support, Labour formed a minority government.

John Wheatley, responsible for housing in the 1923 minority Labour Government was an enthusiastic supporter of council housing. His 1924 Housing (Financial Provisions) Act increased government subsidies paid to local authorities and extended the time over which the subsidy was paid from 20 to 40 years. There was a statutory rate contribution and restrictions on local authority house-building were removed.

Housing was a hot political issue throughout the 1920s and Conservative governments did not repeal the 1924 Housing (Financial Provisions) Act which ran in parallel with the 1923 Act. However, the Conservatives wanted to get out from supplying subsidised council housing as soon as possible. At a Cabinet meeting in February 1926, Chamberlain gave assurances that 'it is his desire and intention to bring the Wheatley Scheme to an end as soon as practicable and also to proceed actively with the policy of the sale of Addison Houses' ([Cabinet, 1926](#), p 306). Subsidies were reduced and new home quality deteriorated. 'Parlour' houses became rare and a fixed bath in the kitchen often replaced a bathroom.

The 1930 Housing Act, passed by a minority Labour government added slum clearance subsidies to general needs subsidies but 'general needs' subsidies were abolished in 1933 in England and Wales and severely reduced in Scotland, leaving only the 1930 Act's slum clearance subsidies, to which, in 1935, the Conservatives added subsidies for overcrowding relief. The switch to subsidies for slum clearance and overcrowding relief produced a striking change in the type of houses built. Hilton Young, the Health Minister, was enthusiastic about flats as a mechanism to contain urban growth. His zeal was shared by the growing number of architects attracted to the 'modernist' movement, who

made frequent visits to the Continent to study the 'splendid structures' and 'sweetness and light' of new flats (Gardiner, 2010, p 290). The higher grants on offer to construct flats on 'expensive' sites produced a very large proportion of four- and six-storey walk-up flats, sometimes in large blocks surrounding a central courtyard. Their austere exterior 'seemed to emphasise that they were rough places for rough people' (Branson and Heinemann, 1973, p 211). [Hobhouse](#) (1994, p 3) describes Birchfield House in Poplar as: intended to re-house people from clearance areas and one of the LCC's euphemistically named 'simplified' five-storey blocks of flats. It had a communal washroom/bathroom shared between every two or three flats.... Although all tenants had their own WC and scullery, these were not usually within the flat but situated adjacent to the bathrooms and, like them, were reached across a common passage or landing.

Quarry Hill flats in Leeds was built for people displaced from the slums. It was regarded as a 'model estate' and attracted international attention. It was probably the best of pre-fabricated, concrete flat blocks built for displaced slum residents in the 1930s but was demolished in 1978. The Reverend Charles Jenkinson, the radical Leeds Housing Committee Chair, believed that 'the cottage home is the best dwelling for the normal English family' (quoted in [Boughton](#), 2013). However, perhaps influenced by the extra subsidies made available for flats by the government, he supported a scheme to demolish a part of inner-Leeds and house the displaced residents in a new pre-fabricated, concrete, multi-storey block of flats, re-housing about 3000 people. Standards of internal amenity were high. Unfortunately the scheme had problems from the start. The waste disposal system malfunctioned and the steel and concrete structure was prone to leakages. The pollution in Leeds caused the exterior to become drab and black. It looked like 'a rough place for rough people' and, as a young boy travelling into Leeds every week, I passed Quarry Hill flats and thought it was a prison! A 1969 survey of the estate found that between 32% of 46% residents were critical of various aspects of living on the estate such as its design, rubbish disposal system and the stigma ([Ravetz](#), 2014). On the positive side, a proportion of the residents from the demolished slums lived in the flats and, according to [Boughton](#), (2013) a sense of community seems to have continued amongst the established residents (the working-class usually develop a community spirit whatever their housing conditions). However, over time, few Leeds residents wanted to live in Quarry Hill flats.

Just over a million council houses were built between the wars with the highest building rates per annum being between 1935 and 1939 during the slum clearance programme. The striking feature of council housing in this time is the decline in the standard of the new homes. Under the 1919 Housing, Town Planning, &c. the houses built Act were high quality. All had bathrooms, many had a parlour — a second living room — most houses were semi-detached with gardens and densities were low. By the late 1930s the standard home for displaced slum residents was a multi-storey flat, made from concrete and steel, surrounding a central courtyard and often with shared amenities.

Council Housing 1945 to 1954: Consensus Years?

Malpass (2003, p 646) notes that 'as far as housing is concerned there is little evidence of a distinctively Labour flavour to the policies that were to emerge before the end of the war'. Local authority housing was regarded as necessary only to make good some of the housing shortfall caused by the war, not as a long-term programme. However, Aneurin Bevan appointed as Minister for Health, with housing part of his responsibilities, wanted a long-term programme with most new houses rented from a local authority. Although not opposed to homeownership in principle, he argued that 'it has not dawned on some people that the vast majority of people cannot afford to buy' (Bevan, 1946), and housing, like health care, required distribution according to need. Bevan also believed that 'we shall be judged in a year or two by the number of houses we build but we will be judged in ten years time by the type of houses we build' (quoted in Foot, 1975, p 82), so he wanted to produce high-quality homes. New housing schemes would also promote mixed communities not the past 'castrated communities', with their spatial division between council tenants and homeowners. To boost quality Bevan adopted the Dudley Committee's recommendations that the size of council houses should increase, and that for five persons or more, there should be two WCs (Dudley, 1944). Central government subsidies to local authorities for building homes were substantially increased.

Given the post-war difficulties in securing labour and materials, Labour's housing record was sound. Between 1947 and 1951 Labour delivered about 200,000 homes per year with around 174,000 being council houses. Nonetheless, in the 1950 General Election campaign, Conservative activists noted widespread disillusionment with Labour's housing progress. This prompted a resolution to the Party Conference, according to Davis (2008, p 129), 'engineered by a group of free marketers with Enoch Powell at the helm' — indicating that private enterprise would deliver — demanding a target of 300,000 houses per year. This target was included in the Conservative Party's 1951 manifesto and Harold Macmillan became the Minister responsible for achieving the target. By 1954 the target had been met, overwhelmingly by local authority building. Despite pressure from within the Conservative Party to switch production to owner-occupation Macmillan was reluctant to interfere with the housing delivery system he had inherited from Bevan until the 300,000 target had been met. As the target came close to fulfilment the Conservative government published the White Paper *Houses: The Next Step* (MHLG, 1953) announcing that subsidies to local authorities would be concentrated on slums. Macmillan declared that he looked forward to 'a second scoreboard to run alongside "houses built", called "slum houses demolished"' (quoted in *Estates Gazette*, 1953, p 389). The Housing Subsidies Act 1956 abolished 'general needs' subsidies, providing assistance only for dwellings built to replace slums and for old people. The new subsidies encouraged high-rise housing: the higher the block, the greater the subsidy.

[Harold Macmillan's diaries](#) reveal his deep concern that Conservative failure on their 300,000 houses per year promise would produce a left-wing Labour Government led by Nye Bevan. Local authority supply allowed Macmillan to deliver and, the target achieved, local authority housing could be returned to its 1930s residual role of meeting the needs arising from slum clearance.

Clearance and 'General Needs': 1956 to 1979

Between 1956 and 1979 Conservative governments built on average 134,000 council houses per year and Labour 154,000 but more houses were built by Labour for 'general needs'. Nonetheless under both governments the proportion built for clearance needs was about 50% and far more in urban areas

The internal amenities in the homes built in this period were usually good. The problem was the external environment. Although survey after survey demonstrated people did not want flats (see Lund, 2016), flats were what many people got. Flats came in a variety of forms. The badly sound-proofed maisonette was common (In the 1980s, Manchester had a major programme of removing the top flat). Then there were the relatively low-rise flat blocks. Manchester had been opposed to flat blocks, but finding that it was fenced in by Green Belts, started use this housing form. Monolithic and shoddily constructed from concrete they soon became known by names such as 'Ford Beswick' and 'Ford Ardwick'.

Usually defined as six storeys or more, but most far taller — Grenfell Tower had 24 storeys — tower blocks have received the most attention in the post-mortems on the 'mass housing' era with the story well-told by [Dunleavy](#) (1981) and [Glendinning, M. and Mulhesius, S.](#) (1994). A few have received listed building status — perhaps a reminder of the 'brutal' architecture — many, many more have been demolished.

As Frederic Osborn, a new town advocate, noted:

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](#), 2015, p 6)

The system built flats often allowed water penetration, lifts and waste chutes were unreliable and the 'estates' lacked 'defensible space', helping to make crime and anti-social behaviour **more prevalent**.

[Dunleavy](#) (2017) has remarked that the tower 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.

Tenant satisfaction in flat living followed a 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 the numerous design faults became manifest.

District councils built developments in small towns and on the edge of villages that later became very popular purchases under the Right to Buy. However, many 'general needs' council homes (and some built for clearance needs) were on large scale 'periphery' estates on the fringes of cities and large towns. A common pattern in the construction of these estates was the 'grand design' — houses, community centres, shops and recreational areas — and the reality, usually houses only. Most houses were semi-detached with large gardens organised in streets and cul-de-sacs but some had 'modern' layouts such as the 'Radburn' system — keeping vehicle access separate from the houses and including garage blocks remotely located from the accommodation. I lived on a 'Radburn' estate. The internal amenities of the terraced houses were excellent but there were long walks up and down stairs to a bus stop or a car which could not be overlooked and hence subject to vandalism.

The Ellipse of Council Housing (1)

As the problems of some council housing developments became manifest in the 1970s and owner-occupation became more accessible and popular, the Labour leadership lost faith in local authority housing supply. Partly due to financial crisis, council house output declined rapidly and became more concentrated on requirements arising from slum clearance in specific urban areas. More attention was given to improvement programmes and local authorities were required to produce a Housing Strategy setting out ways to improve local housing conditions with more local authority houses only one of the options to be considered. Owner-occupation was described in Labour's 1977 Housing Review (DoE, 1977, p 6) as a 'basic and natural desire of all people' and Harold Wilson started work on a council house sales strategy.

The Ellipse of Council Housing (2)

Margaret Thatcher was an enthusiastic supporter of homeownership and disliked 'socialistic' council housing. To her, selling council houses was a win/win policy although she was concerned that generous discounts might be resented by the least well-off owner-occupiers on 'Wates estates'. Gilmour (1992, p. 142). The 1980 Housing Act set discounts at 33% for three years' tenancy rising by 1% per year to a maximum of 50% but, in 1984, the qualifying period was two years with discounts up to 60% on houses and 70% on flats. Selling council homes was a right vested in the tenant rather than an obligation on local authorities. The carrot of the Right to Buy was accompanied by the stick of higher rents. When all central government subsidies had been axed, the rent increase stratagem was to include the cost of Housing Benefit in Housing Revenue Accounts (the accounts that set rent levels) throwing almost every account into deficit and enabling the central government to force rent increases to cover the shortfall. Eligibility for Housing Benefit (HB) was restricted so that, by 1988, only households with less than 50% of average male gross earnings were able to claim, compared to 110% of average male gross earnings in 1983

In the middle 1980s two additional stratagems were introduced to reduce local authority housing supply: Tenants' Choice and Housing Action Trusts. Tenants' Choice allowed tenants to choose an alternative landlord via a ballot and under a Housing Action Trust, following a tenant ballot, the central government would take over a council estate, refurbish it and then sell it on to new landlord. Both stratagems were failures.

The Ellipse of Council Housing (3)

By 1997 council housing had a major image problem. The sector had lost many of the better quality homes under the Right to Buy leaving it with the lower standard homes. There was a repairs backlog estimated at £19 billion and the sector was housing more and more of poorest households.

New Labour's strategy to deal with this problem was to increase the resources for repair and refurbishment. Although some extra finance was made available directly to local government most resources came via stock transfer either to an existing housing association or one specially created to receive the stock. Debt cancellation and the extra resources available to housing associations because their borrowing was not subject to the constraints imposed on local authority borrowing offered tenants the prospect of better housing conditions and all 'social housing' rents were subject to a common formula. Tony Blair praised housing associations as 'social entrepreneurs' and perhaps stock transfer was partially motivated by a desire to improve the image of below market rent housing by linking it to a 'modern' supplier. There had been stock transfer under the Conservative government

but despite considerable resistance New Labour accelerated the programme. Between 1988 and 2010 1.2 million local authority dwellings were transferred.

In its first term in office New Labour continued the Right to Buy under the same terms as the Conservatives but mounting evidence that private landlords were buying homes sold under the Right to Buy and a rapidly growing homelessness problem prompted a rethink. Right to Buy discounts were substantially reduced and the rules governing sales tightened. The result was a sharp drop in sales, down from 69,394 in 2002/3 (England) to 2375 in 2009/10.

The Ellipse of Council Housing (4)

In 2010 when he became Prime Minister in a Conservative-Liberal Democrat coalition owner-occupation was in decline and private landlordism was accelerating. Cameron chose to 'incentivise' the Right to Buy as a way of promoting a 'property-owning democracy'. Discounts were substantially increased with the maximum discount raised to £75,000 across England without regional differentials. Subsequently the maximum discount was increased with a higher maximum in London than the rest of England.

As under Margaret Thatcher, under the austerity agenda rents were raised and Housing Benefit cut which also encouraged Right to Buy take-up. 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 increased from 19% to 28%. In addition, the stigma attached to living in a council house was enhanced.

In the late 2000s the Centre for Social Justice, set up by Iain Duncan Smith, published a number of reports on 'Broken Britain'. [Breakthrough Britain: Housing Poverty](#) declared that 'the level of dependency among social housing renters is quite staggering' and that 'this is not a situation that will resolve itself. How can we expect different from people who never see anything different?' (Centre for Social Justice, 2008, p 5). Later as Secretary of State for Work and Pensions, Duncan Smith introduced 'behavioural' indicators into the official poverty line measures and, in justifying demolishing 100 'sink' estates David [Cameron](#) said:

There's one issue that brings together many of these social problems – and for me, epitomises both the scale of the challenge we face and the nature of state failure over decades. It's our housing estates. Some of them, especially those built just after the war, are actually entrenching poverty in Britain — isolating and entrapping many of our families and communities.... Decades of neglect have led to gangs, ghettos and anti-social behaviour. And poverty has become entrenched, because those who could afford to move have understandably done so.

Welcome Back?

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 Cameron's proposal to increase rents for higher earners living in the social housing sector was abandoned. Although some starter homes entered the pipeline, delivery was slow and, by July 2018, no starter home had been completed.

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.

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](#)).

Although the formula was biased towards protecting Conservative heartlands from development it gave the government a benchmark against which sanctions could be imposed on local authorities that were reluctant to boost housing supply.

The White Paper 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](#)).

Grenfell Tower

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](#)).

Boris Johnson and Council Housing

[Johnson's 'alternative Prime Minister speech'](#) to the 2018 Conservative Party Conference did not indicate that council housing had a future. He contrasted owner-occupation with council housing saying:

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 remember when I was first absolutely certain that we Tories were right about housing. I was a reporter on the *Wolverhampton Express and Star*, not far from here. And I went out to see a couple who were complaining about damp. It was a terrible scene. They were sitting there and with the heating on full blast and a baby crying, and the condensation dripping down the window, and there were these great black spores all over the wall. The chap was in his socks in an armchair and in a state of total despair. He was worried about the baby's cough – which was getting worse.

The council wouldn't do anything, and he felt he couldn't do anything – because it was not his property, and I could see that he felt somehow unmanned by the situation. And I felt very sorry for them both – because they were total prisoners of the system. And I thought what a difference it would make to that family if they had been able to take back control – to coin a phrase. To buy that flat.

The Conservative Party won the 2019 General Election with an overall 80 seat majority following a campaign based mainly on 'Get Brexit Done'. As might be expected, homeownership featured strongly in the [2019 Conservative Party manifesto](#). It promised to simplify low-cost homeownership schemes, Help to Buy would last until 2023 and the voluntary Right to Buy for housing association tenants was endorsed. In addition, developers' contributions via the planning process would be used to discount homes in perpetuity by a third for local people who could not otherwise afford to buy in their area. This pledge was given substance in *First Homes: Getting You On the Ladder* ([MHCLG, 2020](#)). This switch of developer contributions to homeownership will hamper social rented housing whether provided by housing associations or local government.

For the social housing sector the manifesto stated that the Affordable Homes Programme would be renewed as a 'key element in reducing homelessness' suggesting that building for 'general needs' might be curtailed.

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Conclusion

State housing provided indirectly via local government has never had a secure position in the 'Welfare State'. Even in the so called 'consensus' years on social and economic policy, the Conservative Party regarded local authority housing as necessary only to make good the housing shortfall caused by the war. This achieved, it could be returned to its inter-war 'residual' role of supplying homes for people displaced by slum clearance, regarded as a limited and finite problem. Indeed, In June 1955, Duncan Sandys, Minister of Housing and Local Government, told the Cabinet:

There would be some advantage in altering the present name of his Department to 'Ministry of Local Government. Its present name was cumbersome and was often abbreviated to 'Ministry of Housing'; and this title was becoming increasingly inappropriate as the emphasis in house building came to be transferred to building by private enterprise with which the Department had little concern. ([Cabinet, 1955](#), p 111).

The Cabinet rejected Sandys' proposal.

The attitude of the Liberal Party to council housing was, at best, lukewarm. The National Housing Reform, allegedly the working class Liberal Party's mouthpiece on housing advocated developing housing associations and planning rather than promoting council housing. In contrast, the Workmen's National Housing Council — representing trade unions and the Independent Labour Party — favoured municipal housing and demanded Treasury subsidies and 'fair' rent tribunals to set rents in the private rented sector.

In 1920, Asquith denounced the 1919 Housing Act as 'an admirable piece of paper but with little practical value' (quoted in Morgan and Morgan, 1980, p 112) and, even when re-united under Lloyd

George's leadership, its [1929 manifesto](#) made no reference to council housing. In contrast, the Labour Party enthusiastically embraced council housing. John Wheatley's '£8 cottage' scheme with capital provided by the surplus tram income, building on cheap suburban land and eliminating private landlord profit was an early prototype.

The Tudor Walters report, mainly written by, a Fabian Socialist, put forward the long-term case for council housing arguing that, although subsidies may be necessary in the short term, 'ultimate economy in the provision of dwellings will depend on the relation between the average rental secured over a long period' (Tudor Walters, 1918, para 27) and the initial dwelling cost.

In 1949 Bevan, having removed 'for the working classes' from the legislation governing council house supply said 'I believe that one of the reasons why modern nations have not been able to solve their housing problems is that they have looked upon houses as commodities to be bought and sold and not as a social service (quoted in Howarth, 1985, p 103).

However, the Labour Party leadership lost confidence in council housing in the late 1970s. Signs of this disillusionment could be found in the late 1960s. Richard Crossman believed that many local authorities were incompetent in building houses and increasingly favoured older home improvement and home-ownership. By the middle 1970s the Labour Party leadership — well aware that the mistakes of the past were becoming increasingly manifest and conscious of the growing popularity of owner-occupation were in retreat on council housing.

New Labour regarded council housing as a hallmark of 'Old' Labour and was determined to ditch the sector partly because some of the design problems of council estates had attracted become high profile media attention. Its stock transfer programme has already been described.

Led by David Cameron the Coalition government repeated Thatcher's strategy to eliminate council housing; higher rents, enhanced stigma and a 'reinvigorated' Right to Buy with unfilled promises on one to one replacement.

Theresa May gave local authorities a more proactive, but still highly limited, role in supplying new housing. A meagre 2450 local authority homes were built in England in 2018/9. Much of the activity has been concerned with establishing local housing companies for let at market or near market as local authorities attempt to boost their trading revenues to compensate for sharp reductions in central government grants. Only about 50% were available for letting at a 'social' rent ([Chartered Institute of Housing](#), 2020(about 55% of the market rent). As explained above, before the Covid-19

pandemic, the prospects of new council house building looked bleak under Boris Johnson's government.

Reading the runes on the future of local authority housing when the Covid-19 pandemic is under far better control in the United Kingdom is extremely difficult and likely to produce 'fool's gold'. The size of the Public Sector Borrowing Requirement is large and increasing rapidly but the interest rate is very low and, paid back over a long period will probably not make an enormous impact on government finances. However, it is very unlikely that council housing will feature in any economic stimulus following the easing of the Covid-19 pandemic.

On the other side, Boris Johnson's government — if it is Boris Johnson's government — may be in deep trouble over its handling of the Covid-19 pandemic and debates will still be raging by the 2014 General Election on who pays for the pandemic's social and economic costs and how to stimulate the economy. The [Labour Party's 2019 manifesto](#) commitment on 100,000 new council homes per year may well be high on the agenda. Unfortunately, the image of council housing is still tarnished and these new homes will need to be high quality — along the lines of Norwich's Goldsmith Street terraced housing—to restore the image.

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