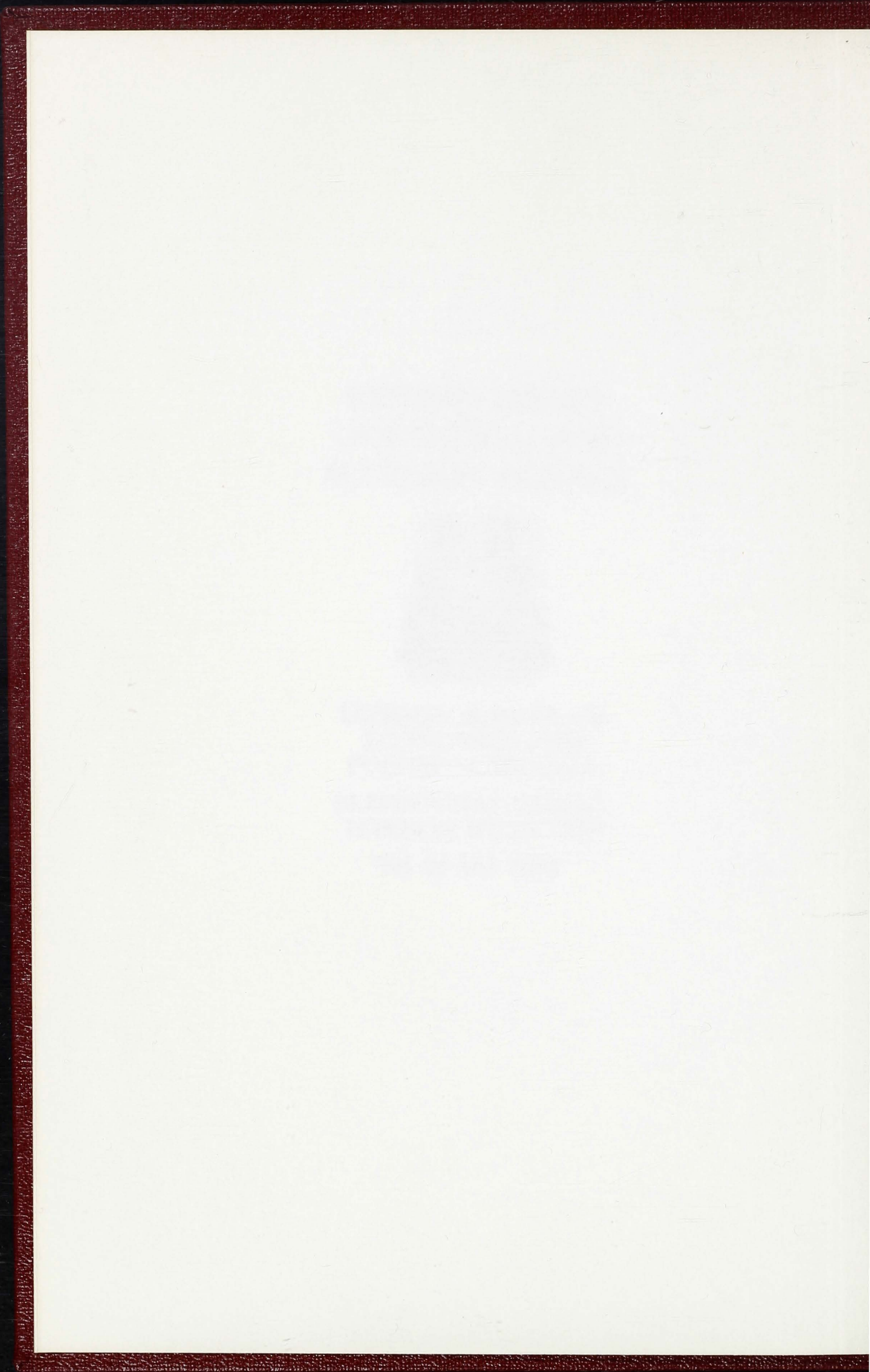


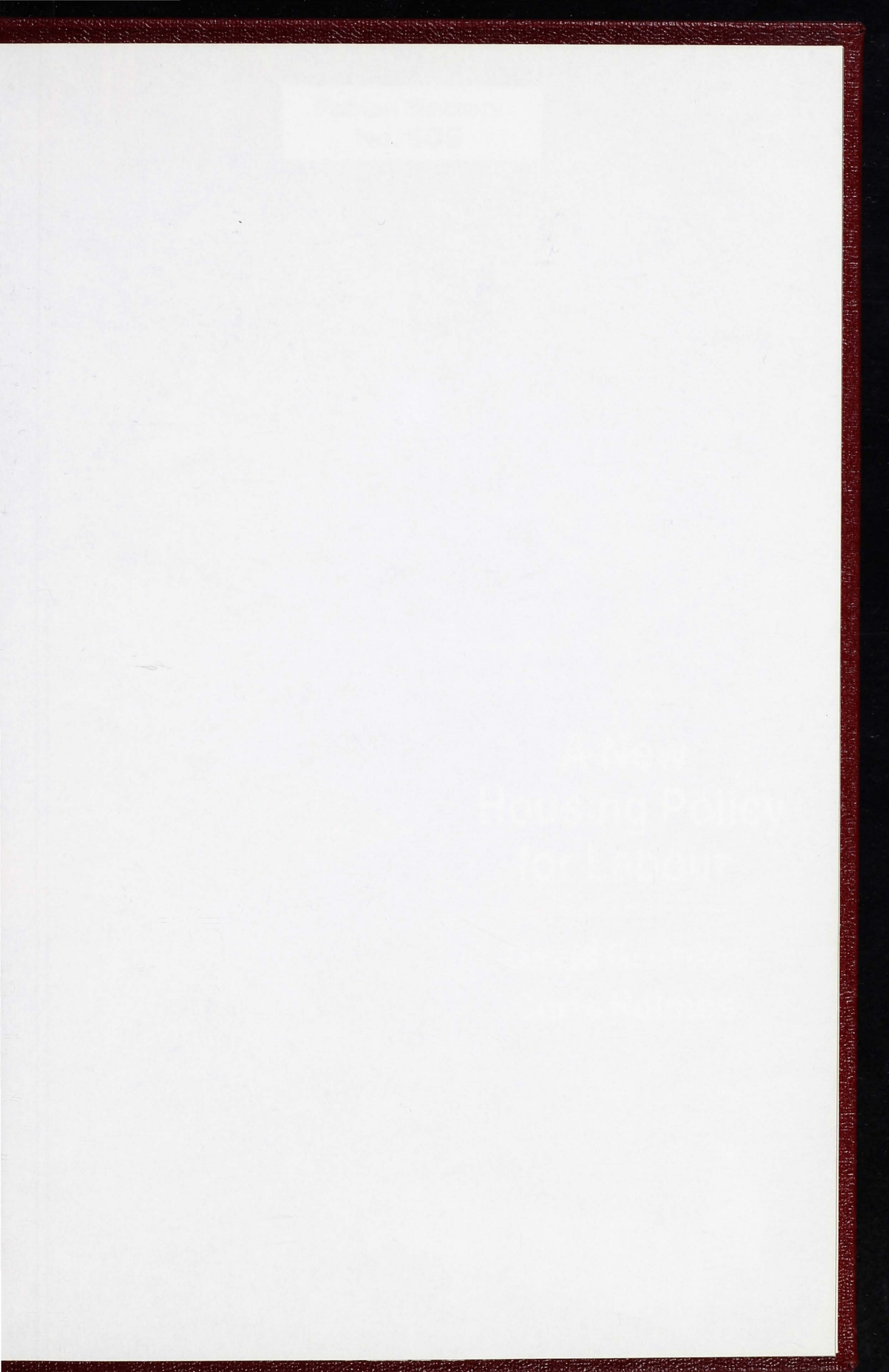
BRITISH LIBRARY
OF POLITICAL AND
ECONOMIC SCIENCE

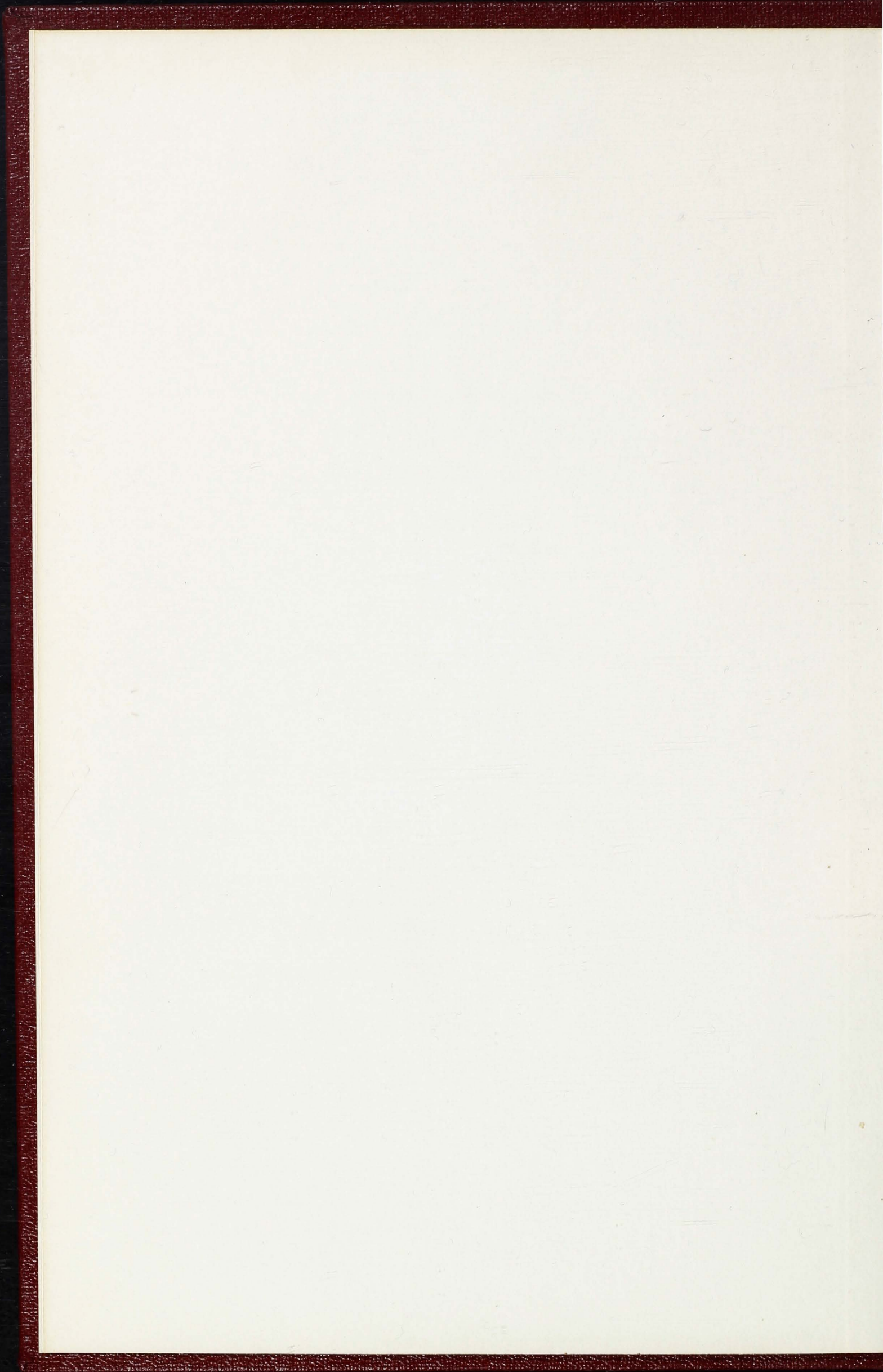


LONDON SCHOOL OF
ECONOMICS AND
POLITICAL SCIENCE
10, PORTUGAL STREET,
LONDON WC2A 2HD
Tel. 01-405 7686











**Fabian Society
No. 505**

**A New
Housing Policy
for Labour**

**David Griffiths
Chris Holmes**

16/8/85
MSS
HD
7333
G85



Fabian Tract 505

A New Housing Policy for Labour

Chapter

| | |
|--|-----------|
| 1. Where Labour Went Wrong | 1 |
| 2. The Challenge to Labour | 4 |
| 3. A Home for Everyone | 8 |
| 4. A Housing Programme for Labour | 12 |
| 5. A Better Deal for Renters | 19 |
| 6. Sensible help to Home Owners | 24 |
| 7. Financial Fairness for All | 29 |
| 8. Summary | 34 |

David Griffiths worked for six years as the Labour Party's housing research officer. He was a founder member of the Labour Housing Group and its Chair in 1983/84. He now works for the London Borough of Haringey.

Chris Holmes works as Director of CHAR, the campaign for single homeless people. He is a member of the Labour Housing Group Executive Committee and was Chair of LHG from 1981-83. He is a co-opted member of the Labour Party Joint Policy Committee on Housing.

Both contributed chapters to LHG's book "Right to a Home" and have written widely on housing issues.

Front cover photo: Labour Party Photograph Library

This pamphlet like all publications of the Fabian Society represents not the collective view of the Society but only the views of the individuals who prepared it. The responsibility of the Society is limited to approving the publications it issues as worthy for consideration within the labour movement.

July 1985
ISBN 0 7163 0505 4
ISSN 0307 7523

Typeset by Lithosphere Printing Co-operative Ltd (TU) 01-837 1174
Printed by Blackrose Press (TU) 01-251 3043
Published by the Fabian Society, 11 Dartmouth Street, London SW1H 9BN

1. Where Labour Went Wrong

For generations of socialists, the provision of decent housing for working-class people has been a major aim. The scourges of overcrowding, unfit slums and Rachmanite landlords have been seen as an affront to human dignity, and a scandal within a relatively affluent society. When the Labour Party gained control of municipal authorities, the task of replacing the slums and building new homes was a major priority. The Party's manifestos have consistently promised a massive housing programme to eradicate the housing shortage.

Yet over the last two decades, housing slid steadily down Labour's agenda. Apart from the set-piece debates over Clay Cross in the early 1970s, it engaged little of the movement's political passion. Increasingly it became the preserve of elected Labour councillors on the one hand, and a small band of housing policy specialists on the other. The pre-occupation of the council members has been the day-to-day demands of building and running their housing stock. And as the size of their municipal housing empires has grown, they have tended to see housing issues primarily from the perspective of socially responsible, but large and bureaucratic, landlords.

The development of housing *policy* within the Labour Party meanwhile became dominated by housing experts who could fairly be described as Fabian, because of their belief in the political power of rational argument, their concern with distributional issues and their attention to administrative detail. Through their publications, and their assiduous contribution to the work of the Labour Party NEC's Housing Sub-Committee, established in 1974, they developed a body of detailed and reasonably coherent Party housing policy, rooted in a thorough analysis of the housing system and most fully expressed in the housing chapter of *Labour's Programme 1982*.

The politics of housing

After June 1983, however, the status of housing as an issue changed rather abruptly. Politicians as different as Roy Hattersley and Stan Newens identified Labour's housing policy as an electoral liability which had to change. Peter Kellner argued in the *New Statesman* (29.7.83) that he would "not be at all surprised if housing policy becomes one of the most important ideological issues for Labour over the next two or three years".

It was, of course, the perceived electoral cost of Labour's position on council house sales which led to this rediscovery of housing as *politics*, not just management and policy. True, sales had also been an issue in 1979, but then the Tories were only *promising* council tenants the right to buy their homes. By 1983 the 'right to buy' had been on the statute book for nearly three years and Labour was pledged to repeal it. The result was that, as the Labour Coordinating Committee broadsheet *After the Landslide* put it, "we came across as merely punitive to ordinary people wanting to better themselves".

In housing policy terms, however, Labour's objections to the Tory 'right to buy' were and are, in themselves, extremely defensible. In the short term most of the dwellings sold would not have been available for re-letting (since the tenants

would have continued to live there), but over the years the policy of sales undoubtedly results in a reduction in the supply of re-lets and a worse shortage of rented housing. Yet the Tories have forced councils to sell, irrespective of the local need or demand for rented housing. They have done so on financial terms – discounts from market value of 32 to 50 percent, since raised to 60 per cent – which favour the buyer at the expense of the rest of the community, and fail by far to finance the replacement of the rented housing lost. Yet even on such generous terms, it is inevitably the better-off tenants who buy and the better quality housing which is sold – suburban houses with gardens, not inner city flats. Far from breaking down the ‘municipal ghettos’ of Tory rhetoric – and, sadly, of some inner city reality – indiscriminate sales under the ‘right to buy’ are thus strongly reinforcing the social and geographical polarisation between the housing tenures which already disfigures our society.

This selective and stigmatising policy was born of a Tory dogma that everyone ought to be a home-owner. Labour did *not* respond, at least at the level of national policy, with an equal and opposite dogma that everyone ought to rent. Instead it argued that sales policies should be locally determined in the light of local needs, and in any event should be at full market value to preserve equity and provide for replacement.

This position was eminently rational – and utterly ignored. Come the election virtually *everyone* believed that Labour was opposed to all sales in all circumstances. By extension, moreover, Labour was against home ownership as such – notwithstanding stated Party policies and Labour Governments’ numerous practical initiatives in its support. It was a rout for ‘Fabian’ faith in the power of argument. Political imagery and practical experience – the Tories’ appropriation of the theme of ‘freedom’, and tenants’ first hand experience of Labour as a landlord – had proved

vastly more potent than the most rational of national policy statements.

Thus the Tories won a renewed mandate for pursuing their radical housing programme. While council house sales were the populist centrepiece, the programme itself is far wider. It has included huge cuts in public sector investment, in both new building and rehabilitation; the abolition of minimum standards for public housing; and rent increases well in excess of the growth of prices and earnings. A determined assault has been made on public sector provision, and housing has suffered some three-quarters of the total net reductions in public spending achieved by the Government.

To see how the Tories were able to gain the initiative in this way, and indeed to carry through their programme with so little resistance, we need to glance back briefly at the development of Britain’s – or more accurately England’s – housing system.

The changing role of council housing

As a national programme, council housing began in 1918. At that time 90 per cent of households rented from private landlords, and it was in response to popular discontent with landlordism, together with wider social expectations of ‘winning the peace’, that subsidised council housing was born. As the immediate social pressures receded, so did the generosity of support for public housing, and even after the Second World War private renting was still firmly the majority form of tenure, housing some 60 per cent of households in 1947.

Bevan’s post-war drive for high quality council housing, so often revered in Labour housing debates as a golden age, thus took place in the context of a housing system radically different from today’s. The private rented sector has now dwindled to little more than 10 per cent of the housing stock, and while council housing has grown (until the Thatcher years) to

house nearly 30 per cent of the population, home ownership has become the majority tenure.

This has been a social change of remarkable rapidity, and the implications for perceptions of different tenures – the heart of the housing politics of 1979 and 1983 – are profound. To engage in some crude but not wildly inaccurate generalisation, in those formative Bevanite years working class households rented. The issue was whether they rented from a private or a public landlord, and the latter was generally a great improvement on the former, in terms both of housing quality and effective security of tenure.

For millions of households, indeed, council housing broke the link between low income and grossly inadequate housing. They had reason to be grateful for the council housing programme – and many Labour politicians expected just such gratitude. Within the rented sector, moreover, council tenants were typically skilled manual workers, while the private sector continued to house the lowest income groups.

Today's scene is very different. There is no longer any easy identification between working class housing and rented housing. Instead opportunities for home ownership, widened by post-war prosperity and specific legislative encouragements (such as Labour's 1967 option mortgage scheme), have been taken up enthusiastically, and a majority of skilled and semi-skilled manual as well as white collar workers now own their home. The key comparisons for council housing are thus no longer with the withering private rented sector, but with owner-occupation. And here it is not gratitude but its paternalistic obverse which is crucial. By the 1970s council housing had become firmly labelled, and not without reason, as the housing sector which offered little or no choice – over where you lived, how many rooms you had, what colour you could paint the front door. Home ownership contrasted in all these respects as a paradise of true

freedom. And for the established council tenant, subsidised council house sales were a very attractive means of getting there.

As more better-off tenants moved in to owner occupation, at the other end of the scale council housing increasingly took over from the private rented sector its function as the 'tenure of last resort'. In 1969 the Cullingworth Report advocated changes in council allocation policies to remove obstacles to access for households in the most severe need. The 1972 Tory Housing Finance Act removed some of the financial barriers which had excluded the poorest people from council housing, by introducing the new national rent rebate scheme and the 1977 Housing (Homeless Persons) Act for the first time gave local housing authorities a statutory responsibility to secure accommodation for homeless people in "priority need".

Thus the social location of council housing has significantly shifted towards the lowest income groups and those with no other housing options. Table 1 shows the changes in the proportion of households on supplementary benefit in different tenures between 1967 and 1982. The marked shift is the fall in the share of the private rented sector (associated with its steady decline) and the increase in the proportion in local authority housing – whereas the proportion in owner-occupied homes has remained almost constant, despite the major growth of the sector over that period.

TABLE 1
Households claiming Supplementary
Benefit by tenure (%)

| | Owner- Occupation | Council renting | Private renting | Total |
|------|----------------------|--------------------|--------------------|-------|
| 1967 | 17 | 45 | 38 | 100 |
| 1982 | 19 | 62 | 18 | 99 |

Even before 1979 council housing was thus clearly threatened by what housing analysts have christened 'residualisation'

– a slow decline into a stigmatised second-best sector for the ‘needy’, an ironic echo of ‘allocation according to need’. Tory policies on sales, housebuilding and rents have greatly accelerated this process. But it has also been reinforced by long-standing and deep inequities in housing finance.

Council housing has always received state subsidies from national taxation and local rates, which have been visibly recorded as items of public expenditure. But home ownership too has been heavily subsidised, through tax concessions which do not feature as public spending. Mortgage interest payments attract tax relief, yet there is no offsetting tax on the income in kind derived from ownership – essentially, the avoidance of rent. Capital gains on housing have also gone untaxed, despite a long-run tendency for house prices to rise ahead of general inflation. In recent years, despite the substantially higher average incomes of owners, and the ‘feather-bedded’ image of the council tenant, these tax concessions have come to dwarf the explicit subsidies to public tenants.

Thus while the costs of getting *into* home ownership have remained substantial – largely because of inflation and professional restrictive practices – for those who can surmount the initial hurdles the long-run benefits are usually substantial,

especially for those with larger mortgages and in higher tax brackets. In their advocacy of council house sales, as well as contrasting the freedoms of ownership with municipal serfdom, the Tories have not been slow to emphasise the owner’s opportunity to accumulate wealth and ‘pass something on to the children’. For all the Party’s municipalist rhetoric and egalitarian sentiment, Labour Governments have never challenged these financial disparities. So we have had the worst of both worlds: perceived as opposed to home ownership, while in practice sustaining the discreet fiscal arrangements which discriminate in its favour at tenants’ expense.

At root, therefore, the policy weaknesses and the political failures are inextricably linked. Although the arguments against council houses sales *are* absolutely valid – taken in isolation – they are undermined within an overall housing system which is grossly biased in favour of home owners. The failure to tackle this critical policy contradiction left the Labour Party vulnerable to the Tories’ political assault. The success of the ‘right to buy’ was only possible because Labour’s position was flawed as well as defensive. A new approach requires not just better campaigning, but a deeper analysis and radically changed policies.

2. The Challenge to Labour

The challenge to the Labour Party now is to develop a response which is both principled and popular to the changed housing conditions and social realities of the 1980s. Principled in advancing Labour’s basic socialist objectives within the housing field; yet capable of commanding popular support within today’s housing politics.

But what *are* Labour’s basic housing objectives? The time-worn demand for ‘decent home for all at a price they can

afford’ conceals as much as it reveals. *Whose* rights to housing are being asserted? – every adult member of the

community, as we will argue, or families and other 'deserving' households, a common interpretation in practice? How decent is decent, when standards and aspirations tend to rise through time, yet today's new housing inevitably lasts many years into the future? What is a fair payment for housing, given that costs not met directly by the consumer must be recouped more widely through national or local taxation?

Good answers to these questions can only be found by respecting the dual nature of housing. It is a major and long-lasting element of the nation's infrastructure, the quality of which has a very significant impact on people's chances in life. This demands that Labour's egalitarian and collectivist values are brought to bear – we need a commitment to real equality in housing, and an acceptance that the state of the nation's housing is a matter of public responsibility.

Yet a home is also something very personal, standing at the heart of people's lives – perhaps to a growing extent in the years ahead, as both leisure and work promise to become more home-based – and over which people therefore expect substantial personal control. This personal dimension has too often been neglected in Labour's rhetoric and practice of public housing, based on misplaced analogies with the universal and collective character of health and education provision. So it is equally important that we approach housing policy in a strongly libertarian spirit, seeking to advance individual rights throughout the housing system.

Housing policy thus embodies particularly sharply some of the tensions between democratic socialist values. This makes it difficult and challenging; but perhaps also means that housing debates can reach beyond their sometimes technical terms of reference to illuminate wider political debates.

In sketching Labour's broad objectives in housing, no reference has been made to housing tenure. Whether people rent or buy their homes in fact raises no issue of

principle for socialists. Clause IV of the Party Constitution encapsulates traditional socialist objectives in advocating common ownership of "the means of production, distribution and exchange" – and owner-occupied housing is none of these.

Debates over tenure

Yet when we turn from matters of principle to practical politics, we find the housing debate of the 1980s is, as the previous chapter showed, dominated by tenure – home ownership *versus* public rented housing. It is a striking fact that at the 1983 election, while housing as an issue had little political salience according to the polling evidence, housing tenure had emerged as a major indicator of people's voting intentions – probably the best single indicator now available. We believe that Labour must now seek to move the housing debate beyond a preoccupation with tenure, and to rebuild concern with housing conditions, costs and rights.

This cannot, of course, be achieved by a lofty detachment from present debates: we have to start from where we are. Some socialist responses to the present politics of tenure are, however, very inadequate.

There are those within the labour movement who argue that the only realistic option is to accept the preference of most people to own their homes and to revise the Party's policies accordingly. The most recent version of this argument has been advanced by Mark Cowling and Sue Smith, who espouse the aim of universal owner-occupation. They suggest that the route towards this should include granting deposits to people on council waiting lists, according to their need; making full mortgage repayments – capital as well as interest – eligible for Supplementary Benefit from the DHSS; extending Housing Benefit to low income owner-occupiers; and retaining the current large discounts to council tenants buying their existing dwelling (M. Cowling & S. Smith, "How to avert Labour's great housing disaster", *The Guardian*, 9 November, 1984).

The central flaw in this argument is its fetishism of owner-occupation as inherently preferable. Whilst recognising the financial privileges which have favoured home owners, Cowling and Smith regard the introduction of measures to work towards equality of tenure – which we will advocate – as a “clear recipe for electoral disaster”. Yet the evidence suggests that for many people renting has considerable advantages, especially at some stages of the life cycle, provided its quality, cost and availability are comparable to ownership. Even the Cowling and Smith proposals would leave significant numbers of households in rented accommodation still more disadvantaged and stigmatised as ‘welfare housing’ than at present.

In financial terms, policies for expanding owner-occupation still further are wasteful in the extreme. As a long-term investment collectively owned and produced, public housing is a very cost-effective use of resources, in comparison to subsidies to owner-occupiers. Whilst the Cowling and Smith proposals would at least compensate for the acutely inequitable character of mortgage tax relief – by extending discounts and reduced costs to people on Supplementary Benefit and Housing Benefit to low income owners – the greatest tax concessions would still be received by the richest people with the largest mortgages.

This populist response to the Tory ‘right to buy’ would be a grossly inadequate response for Labour. It would be irrelevant to tackling a wide range of the housing problems experienced by owner-occupiers and a betrayal of all those who would still prefer or need to rent. And its electoral benefits would be dubious. If people want Tory policies, why not simply vote Tory?

A totally opposite position is adopted by those who advocate a return to ‘class issues’ in housing policy. The strongest statement of this view is in the pamphlet *Class Politics* (B. Fine, L. Hollis, M.

Mayo, A. Weir & E. Wilson, *Class Politics*, Central Books 1984). This attacks the objective of equity between different forms of tenure espoused by the “newer left” as misguided and impracticable. (Their comments on the “newer left” and housing proposals are directed at “To Buy or not to Buy”, D. Griffiths & C. Holmes, *Marxism Today*, May 1984). The authors’ argument is that the real causes of the crisis are in the “whole structure of housing provision”, including the monopoly concentration, the backward technology and the chronic instability of the private house building industry. To tackle this they advocate “radical measures”, including the nationalisation of land and the building industry.

In their emphasis on the imperative need for a major programme of house building, the authors of *Class Politics* are absolutely correct (although they are erecting ‘men of straw’ in their allegation that the “newer left” are in disagreement on this issue). Whilst some of their specific suggestions are questionable – particularly the proposal for nationalisation of the building industry, since most of the major companies sub-contract the construction work itself – new forms of intervention are urgently required to secure the provision of more new homes of satisfactory quality in the areas where they are needed.

The critical weakness of the argument is what it omits. They allege, quite inaccurately, that the “newer left” accept owner occupation as “best” and “natural”. Yet by refusing to propose any changes to the current tax privileges of owner-occupiers, they are implicitly supporting the fetishism of owner-occupation. By totally neglecting the lack of adequate statutory rights for people in poor housing or without a home, they condone the class inequalities experienced. And their uncritical approach to the role of the State fails to analyse the reasons why many working class people – and most especially women and black people – experience public housing agencies as oppressive. The

whole style of argument suggests a pre-occupation with preserving socialist purity by the repetition of simplistic slogans, rather than a serious examination of the causes of housing poverty, injustice and exploitation.

A strategy of choice

Thus Labour is invited to commit itself to an uncritical endorsement *either* of home ownership *or* of traditionally organised public housing. Our own view is that these should be options for individuals, not for policymakers. Labour should adopt as a central objective the widest possible extension of *choice* – underpinned by an ambitious programme to achieve *justice* between different tenures, to ensure that the choice is a real one.

We have already argued that there can be no principled socialist objection to such an approach. The political argument in its favour is that Labour must contest the ground captured by the Tories' own divisive but persuasive appeal to choice and individuality in housing. There is some evidence that the strategy can achieve this: a recent MORI poll for the *Observer* found almost as many respondents believing councils should provide housing for anyone who wants it as believed it should be confined to those in need (45 per cent to 53 per cent).

Practically, too, choice and freedom of movement between tenures can respond far better to households' changing needs and preferences than the present rigid binary system. Home ownership may well be the first preference of most able-bodied two-adult households. But for many others, including the young, the old, single women with children, access to good rented housing when and where they need it can be very important.

In placing such emphasis on choice, we could seem to share common ground with the 'social market' approach espoused by the SDP, or even with positions adopted by the 'New Right'. In the social market, however, the basis for choice is economic

demand – in turn determined by household income and wealth. Given what we have said about the importance of the personal in housing, and the vast diversity of the housing stock, we accept that markets can register essential information about consumer preferences. Once again tempering liberty with equality, however, we believe it is vital, even if difficult, to base choice in housing on a platform of statutory rights to housing available to the whole population, irrespective of the economic demand they can exercise. This is the theme of the next chapter.

The 'social market' may still contain public sector suppliers. The New Right, in contrast, supplement economic individualism with a central concern to 'roll back the state'. The real problem, however, is not too much state intervention, but misguided and regressive *forms* of intervention.

As landlords local authorities have interfered too intrusively in the lives of many tenants, limiting choices over where people live and how their homes are run. And tenants have been denied the statutory rights of access to satisfactory housing, enforceable standards and a say in control which could have given protection against their weak economic position. Yet at the same time there has been too *little* public control over the production process. The historical reality is that *public* housing has largely been constructed on terms dictated by the dominant influences of *private* capital. The private ownership of land, the private ownership of the construction industry, the private control of the money market have decisively shaped – and mostly for the worse – the character and quality of 'public' housing. The systems-built estates of the 1960s are simply the most obvious example: planned and marketed by the major building contractors to strengthen their profitable domination of an expanding market.

Conversely, the State has played a major role in the growth of home ownership. The tax privileges already outlined have

played a crucial part in making it attractive for those who have the chance to buy. The inequalities between sectors have been made still worse by the double standards which have imposed rigid centralised controls over public housing investment, yet allowed private institutions unfettered freedom to finance and build as many homes as the market demands.

While home-owners have gained from these and other financial benefits, however, within the owner-occupied sector there is acute frustration at the fluctuations in the market, the difficulties of buying and selling, the heavy costs of mortgage payments in the early years, and the serious problems of disrepair faced by many elderly owners. Yet there are no effective

forms of state assistance in tackling these real difficulties.

Thus the challenge to Labour is not to roll back but to reshape the role of the State, in a way which respects both the social and the personal aspects of housing. At present it acts as a paternalist in the public sector, while simultaneously undermining that sector through the bias of its wider financial policies. The State should neither intrude into, nor seek to distort, people's individual choices. It should instead be a resource and support for households to draw on as they pursue, in whichever tenure, their housing careers. The political task is to show how new forms of intervention can both reduce inequality and widen choice.

3. A Home for Everyone

Owner-occupied housing is available on demand. Those with sufficient capital and/or annual income can buy homes on the private market, without queuing or needing to justify what they want. The size and quality of what they can obtain is, of course, determined by the extent of their wealth.

In principle, private rented housing is similarly available. Two generations or so ago this was actually what happened. Tenants could find a house or rooms to rent from a private landlord. Frequently families did move to larger or smaller accommodation as their income fluctuated. It would be wrong to romanticise this experience. Most privately rented housing was lacking basic amenities, overcrowding was acute, repairs were commonly neglected by the landlords. The fact was though that housing was available, at a price, more or less on demand.

Today, of course, the state of the privately rented sector is very different. Its share of the housing stock has fallen from 90 per cent in 1914 to 45 per cent in 1945

and only 12 per cent in 1981 (only 10 per cent if the housing association share is omitted). This still represents a substantial number of tenancies, although a quite large number of these are in tied accommodation, and there are a lot of lettings still taking place every year. However, many of these take place through an informal grape-vine or depend on 'key money', putting down deposits or being required to meet high rents. What remains of the private rented sector is characterised by its poor quality, bad management and growing lack of security (as more landlords exploit the loopholes in the Rent Acts).

Access to public housing is determined differently. It has been developed in conditions of severe housing shortage, but

with a commitment to breaking the link between poverty and inadequate housing. The use of market rents to bring demand and supply into balance has therefore been eschewed, and local authorities have been forced to devise systems for deciding priorities between different applicants. In practice, this has meant maintaining a housing waiting list and developing allocations procedures which tend to give priority to the needs of families with children, especially in overcrowded accommodation, to elderly people and to applicants with long local residence, reflecting deeply-held assumptions about who is 'deserving'. Little importance has been given to the needs of other groups, such as single people of working age.

Alongside this system of allocation, there are some circumstances in which local councils have a statutory *duty* to provide accommodation. These are to ensure that homes are available for people displaced by clearance or redevelopment, or by eviction from agricultural tied cottages; and to secure accommodation for applicants defined as being in "priority need" under the 1977 Housing (Homeless Persons) Act. These include those made homeless as a result of emergency, homeless families with dependent children and pregnant women and other homeless people considered to be vulnerable – for example, because of old age, mental or physical illness or handicap. Once again the overwhelming majority of homeless single people and childless couples are excluded.

Households displaced by council action do enjoy a clear right to re-housing. Since the council wants to obtain possession of the property, there is a practical as well as a legal obligation to satisfy reasonable expectations over the type and location of the housing that is wanted. The position of other applicants is considerably weaker. Those registering on waiting lists can usually indicate areas in which they would prefer to live, but it is the council which decides what is offered – if anything. If

applicants refuse an offer of re-housing they risk having to wait a long time for another – and may never get one. The extent of choice for waiting list applicants is normally very limited indeed.

Those homeless applicants in "priority need" do have a legal right to housing, but in practice have even less choice. The treatment of homeless people is still characterised more by the ethos and values of the Poor Law than the entitlement to social rights of a civilised democracy. The legislation effectively distinguishes the 'deserving' from the 'undeserving'. There are no controls over the standard of accommodation that is offered. The "intentional homelessness" clauses reflect punitive attitudes towards those who are held to have been responsible for their homelessness. And there are no effective rights of enforcement for homeless applicants.

These flaws in the legislation are shaped by, and also reinforce, the damaging myths and stereotypes about homeless people, and the perceptions of the apparently competing claims of applicants on council waiting lists and households who present themselves to local authorities as homeless. The assumption is that having to house homeless people is a regrettable necessity to comply with the council's statutory obligations (although teachers would not think of complaining that they have a class full of children with a legal right to be at school!). The typical image of homeless applicants is almost always negative: "queue jumpers", "new-comers", "immigrants", "feckless". In contrast, the claims of waiting list applicants are described in the language of law abiding, deserving legitimacy: "local residents", in "housing need", patiently "waiting their turn".

Yet in reality these distinctions are nonsense. The people on housing waiting lists and those who present themselves as homeless are more and more frequently the *same* people. Growing proportions of those on waiting lists are people forced to

live temporarily with friends or relatives because they cannot obtain a place of their own.

Indeed the whole concept of a 'waiting list' is itself becoming an anachronism. It implies that there is somewhere to *wait*. And, historically, it was the private landlords who provided the waiting room. It was often run-down, overcrowded and without amenities, but it did provide a place where people could live unless or until they qualified for re-housing by the council.

The virtual disappearance of new lettings, at least in protected private tenancies, has made that option impracticable for most people. There is now a massive hole in housing policy and provision. At some stage in their lives very large numbers of people who cannot afford (and may not wish) to buy need somewhere to live *urgently*. Yet there is no route to immediate permanent housing – for young people leaving home, for partners wishing to live together or to leave relationships that have broken down, for patients coming out of hospital, for offenders being discharged from prison and people in a variety of other similar circumstances.

It is only in the network of hostels and bed and breakfast lodging houses that a grotesque parody of the home ownership housing market is to be found. At least until now, unemployed people claiming Supplementary Benefit have had a right to the cost of board and lodging in these forms of temporary shelter. In its own way, it has been available on *demand*. But since there is no rent control, no security of tenure and no controls over standards, the owners of these commercial establishments are able to make vast profits at public expense by letting squalid, overcrowded and often unsafe accommodation to homeless people. The irony is that it would be not only better, but *cheaper*, to allow local councils and housing associations to provide proper self-contained flats than to pay the cost of board and lodging to commercial landlords. The response of

the Government now, however, is to bring in new limits that take away even this fragile right – and either force people into still more sub-standard temporary accommodation or literally put them on the streets.

A right to rent

The way forward must be through a radically new approach which aims to establish a statutory *right* to housing for *all* members of the community. In the present situation, this means that we have to establish an effective *right to rent* for all households needing or preferring this form of tenure.

The call for a 'right to rent' is an unsettling one – but only because it challenges a deeply embedded double standard. Traditionally socialists have argued that public housing must be rationed according to need, while accepting with little question the right of owner-occupiers to acquire as much housing as they can afford at any location where it is available. This might make some sense if public housing were heavily subsidised whilst owner-occupied housing were not – but we are now in virtually the reverse position. Overcoming this double standard by offering rented housing too on demand must be an essential part of a strategy for tenure justice. But, as we argued earlier, 'demand' must have a basis of statutory rights, not just purchasing power, if housing outcomes are not simply to mirror the distribution of income and wealth.

What would a 'right to rent' mean in practice? A first, minimal, step would be to sweep away, by statute, all the restrictions which still prevent many households from even registering a wish for public housing. Local authorities in England and Wales are free at present to exclude people from their housing list on the basis of residence, age, marital status, tenure, income, or any other factor – and many of them do so.

Such a step would at least prevent demand for rented homes from being auto-

matically stifled. A second step would be to require a more activist approach from local authorities, by imposing on them a statutory duty to make a regular and comprehensive assessment of unmet demand in their area and to publish the results.

These measures would increase the political pressure for adequate provision, but would not in themselves extend the housing rights of particular households. A major move in this direction, however, would be the extension of the Housing (Homeless Persons) Act, to place a legal duty on local authorities to secure a home for *anyone* who has nowhere to live, including all single and childless people.

'Homelessness' at present means literal absence of somewhere to go. But a further development could be a progressive extension of this definition. People with disabilities living in physically unsuitable housing; black people in areas vulnerable to racial harassment; women living in insecure estates; single parents or elderly people remote from the facilities they need – such groups could in time be regarded as homeless in a social if not in a literal sense, and given a right of access to more suitable housing.

The traditionally very weak bargaining position of the homeless would be further strengthened if, instead of relying as at present on a general local authority duty to 'secure accommodation' for them, they were able to identify a suitable home on the market – 'suitability' would of course have to be defined, but there are legislative precedents – and require the local authority to acquire it if unable to meet their needs from its existing stock.

A similar right to require local authority purchase could also apply to private tenants, and indeed to owner-occupiers, within their existing homes. As far as private tenants are concerned, the Labour Party has a long-standing commitment to bring the remaining private rented sector into social ownership. A tenant's right to require purchase would, however, ensure that the pace and priorities of the acquisi-

tion programme were to some extent determined by the affected tenants themselves. A 'right to sell' for owner-occupiers could be of major value and attraction, for example, to elderly owners no longer wishing to cope with repairs and other responsibilities; or to women with children after the break-up of a relationship.

For the homeless and ill-housed, of course, while a framework of statutory rights will make their needs harder to ignore, this will be of little or no benefit unless there is an adequate *supply* of rented housing, in the right places and of the right quality. The measures advocated above must therefore be complemented by a major programme of housing investment – and, we believe, of public sector acquisition from the private sector – and this is the theme of the next chapter.

A right to buy

Within the radically different context of a sustained programme of investment and an effective 'right to rent', we believe Labour would be able to reconsider its opposition to the 'right to buy' for public sector tenants without sacrifice of principle. The 'right to buy' as much as the 'right to rent' expresses the underlying right to choose, between tenures of equal status and esteem, which we have been urging. But sales should not be on the deeply unfair terms of the present legislation. Purchases should generally be at market prices, if there is to be a fair balance between the costs of owning and renting – although there may be an argument for discounts for those who became tenants in earlier years. There should also be a statutory duty on the public sector to replace homes sold, either by new building or acquisition, unless there is demonstrably no unmet demand for rented housing in that area, in order to ensure that Tory-controlled councils maintain their stock of rented housing.

The 'right to rent' and the 'right to buy', as we have outlined them, together with

further rights over their homes for both tenants and owners to be developed in later chapters, could be brought together in a comprehensive Housing Rights Act. This would symbolise Labour's commit-

ment to extending individual rights in housing on a basis which, in sharp contrast to present policies, is even-handed between the tenures.

4. A Housing Programme for Labour

Through the 1970s the view became widespread that Britain's real housing problems were almost solved. Politicians of all parties talked smugly about a surplus of homes. With growing aggression, the homeless and badly-housed were blamed for their own plight – labelled as feckless, young drifters or, in the words of legislation itself, “intentionally homeless”.

This complacency and scapegoating could never be justified. Even by the conventional measures of housing stress, the scale of poor housing and unmet need was always formidable. And the savage cuts in housing programmes inflicted by the Conservative Government since 1979 have made housing conditions far worse.

Measured by traditional yardsticks there had, of course, been very substantial progress over the post-war years. But these yardsticks of housing stress are anachronistic. The definition of a dwelling 'unfit for human habitation' was set some 50 years ago – and will not be strengthened by the changes now proposed in the Government's Green Paper on home improvement. Lack of amenities should no longer be judged only by the absence of a bath, hot water supply or inside toilet. The official definitions do not measure deficiencies in sound or thermal insulation, lack of space for contemporary living patterns, the nightmares of dampness caused by defective construction or disrepair, or the strains caused by poor neighbourhood environments – dangerous lifts and walk-

ways, non-existent community facilities, isolation from shops and transport.

Thousands of people also suffer experiences of oppressive housing, neglected in conventional perceptions of housing need. They include people imprisoned in relationships that have broken down, young people unable to leave home and become independent, those trapped for years in archaic institutional hostels and all those forced to live 'doubled up' on the floors of friends or relatives.

All these are acute forms of housing stress. They result not from some pathological failure of individuals, but from the persistence of reactionary prejudices and the miserably inadequate levels of housing investment. Labour's task is to create an awareness of the full extent of housing poverty, and to develop a housing programme to meet the housing standards that can be expected in the 1990s by every member of the community.

Private sector obsolescence

The 1981 English House Condition Survey confirmed disturbing impressions of

TABLE 2
Condition of the housing stock
(thousands, percentage of total stock)

| | 1971 | 1976 ^a | 1981 |
|---|------------|-------------------|--------------|
| Unfit | 1,216 (7) | 1,162 (7) | 1,116 (6) |
| Fit but lacking one or more basic amenities | 1,828 (11) | 746 (4.7) | 390 (2.3) |
| Fit but needing repairs costing: ^b | | | |
| i. £2,500 to £7,000 | | | 2,473 (14.6) |
| ii. more than £7,000 | 326 (2.2) | 395 (2.5) | 574 (3.4) |

(Source: DOE, *English House Condition Survey, 1981, 1982.*

a. The 1976 figures have been revised in the 1981 Survey to allow for changes in methodology and definition.

b. At 1981 prices.)

accelerating deterioration in the state of the existing housing stock. As Table 2 shows, although there was a very sharp fall in the number of homes lacking basic amenities between 1971 and 1981, the number of unfit homes remained at the same level and there was an increase in the number of homes needing repairs of £7,000 or more (at 1981 prices).

In total, it is estimated that in 1981 there were just over 2 million dwellings in England (over 10 per cent of the stock) that were either unfit, lacking basic amenities or in a serious state of disrepair; 2½ million more requiring repairs of between £2,500 and £7,000.

The worst conditions are still concentrated in the privately rented sector. Especially serious are the conditions in multi-occupied hostels, lodging houses and bed-sit flats. The Institution of Environmental Health Officers estimates that more than 80 per cent of the 180,000 multi-occupied dwellings (HMOs) are unsatisfactory. At worst they contain the most appallingly dangerous and squalid conditions.

What the evidence also shows, however, is a marked growth in the extent of disrepair in owner-occupied housing, and this is to be found particularly amongst elderly home-owners. The number of owner-occupied dwellings requiring repairs costing more than £3,000 (at 1981

prices) rose from 314,000 in 1971 to 539,000 in 1981.

The fundamental causes of this worsening obsolescence are the abandonment of previous policies of slum clearance and housing renewal, yet without any adequate alternative to replace them. The annual rate of slum clearance fell from 88,713 in 1972/3 to only 20,919 in 1982/3. In reaction against the 'bulldozer' approach, the new approach to housing renewal espoused in the early 1970s and enshrined in the 1974 Housing Act proposed the declaration of Housing Action Areas to renovate – rather than re-develop – the worst areas of run-down older housing. Initially it was recognised that this would require intervention by local councils and housing associations to take over and modernise these properties, especially from the private landlords who were unwilling or unable to carry out improvements. Increasingly, however, the cut-backs in local authority housing investment allocations and the limits imposed by central government on acquisitions have made renewal strategies reliant on improvements by private owners. The main area of policy has also tended to exclude from attention large numbers of scattered sub-standard properties.

The rate of take-up of improvement grants by private owners has varied dra-

matically over the past 15 years, fluctuating in line with changing Government policies on the level and proportion of grants payable and the availability of funds. From a peak of 242,000 grants approved to private owners in 1974, the number fell to 91,000 in 1981. With the pre-election bonanza of 1983, grants soared to a level of 319,000 – but have now slumped dramatically with renewed cuts in local authority housing expenditure.

The consistent pattern, however, is that grants do not benefit those living in the worst dwellings. Take-up is primarily by better-off and younger owner-occupiers, frequently linked with the purchase of an older property needing renovation. Conversely, 55 per cent of all properties now lacking amenities, 43 per cent of all unfit properties and 34 per cent of all properties in a serious state of disrepair are occupied by elderly households.

Behind this complex pattern of changes is a key political trend. The shift from slum clearance and redevelopment to improvement policies has also meant a move from programmes carried out by *public* agencies, using compulsory powers, to those almost wholly reliant on voluntary *private* sector activity. Insensitive clearance plans of local authorities were justifiably discredited, but dependence on voluntary improvement by private owners – even with generous grant inducements – has been a miserably inadequate strategy. Those who have suffered have been the poorest residents – both owners and tenants – living in the worst accommodation.

Public sector defects

Relatively few local authority homes are unfit – or even in a poor state of repair – according to the conventional criteria. Yet the evidence is growing that large numbers of council dwellings, including many built within the past 20 years, need urgent remedial action.

The Association of Metropolitan Authorities (AMA) estimates that these include 500,000 homes built using non-

traditional building techniques in the late 1940s and '50s. The Government has formally admitted that 170,000 of these are potentially defective by designating the systems under the 1984 Housing Defects Act. The AMA estimates the average cost of repair at £10,000 per unit.

The AMA has also estimated that there are one million homes built during the 1960s and '70s using systems-building techniques. They have estimated an average repair cost of £5,000 per unit, but the results of detailed studies on individual estates suggest that the scale of work needed may be substantially greater.

The problems caused for the tenants in the estates built under these systems are acute. Rain penetrates through faulty roofs and ill-fitting pre-cast units; sometimes floors bow to leave gaps between floors and walls; there have been cladding failures, spalling of concrete, defective balconies, rotting window frames, inadequate insulation and widespread use of unsafe materials such as asbestos and high alumina cement.

The human meaning of the stress these defects cause is best expressed by the tenants who have had to endure them:

“My new house has a garden, a safe cul de sac for the children to play in, different types of housing around to break up the skyline and I do find myself sometimes just looking out of the window at trees, flowers, terraced houses, chimneys, bungalows, my kids playing safely and know that the total oppression of the grey concrete monolith of Hunslet Grange has been lifted from me forever.

“I'd like to repeat that you may know about the problems, but you can't really know what it's like. You can't know what it's like to spend a fortune heating your flat and know your children are still cold at night . . . You can't know what it's like to find your clothes, belongings, furniture, covered in mould growth . . . You can't know what it's like to be told that you're to blame for condensation . . . You can't know what it's like to sit listening to the wall panels popping as they expand and to find a lump of concrete in the kids' sandpit the next morn-

ing . . . You can't know what it's like to be refused credit because you live in 'that awful place' . . . You can't know what it's like, but we do fervently believe that it shouldn't happen again to us or to anyone else." (M. Steane, *Damp, Defective & Dangerous*, SCAT 1984).

Yet local authorities were vigorously pressed by the Government to adopt these techniques in the 1960s. Authorities using industrialised methods were promised special arrangements for approval, encouraged by favourable subsidies, advised to rely on the technical expertise of the Ministry and the National Building Agency and rewarded with extra allocations for house building if they cooperated with the drive towards industrialised systems.

The housing shortage

A crude comparison shows that there are now approximately 800,000 more dwellings than households in England and Wales.

However, allowance must be made for more than 200,000 second homes and a vacancy reserve of approximately 800,000 dwellings (consisting of recently built houses, dwellings vacant because of mobility and empty for other reasons), turning the apparent surplus into a shortage of over 200,000 homes in 1981. The AMA estimates that by 1986 this will have become a shortage of over 500,000 dwellings.

Yet even this seriously under-states the extent of the housing shortage. The enumeration of households ignores the demand from all those people who want to live independently, yet are unable to secure anywhere to live.

The Sharers Survey recently completed by the Department of the Environment, based on the 1977 National Dwelling and Household Survey, shows that there were, for a start, an estimated 128,000 married couples and single parents living as 'concealed' households, who wished to live independently. However, no assessment was made of the very substantial numbers

of single people who are 'concealed' households. There are now 9 million single adults of working age in the population (representing 30 per cent of the population aged between 16 and 65). Less than one in six currently form single person households, yet there is no doubt that growing numbers of single people would prefer to live independently. This includes many young people wanting to leave their parental home (and some who have no choice). There is now a very serious problem of 'concealed homelessness' amongst this group, with people forced to sleep temporarily on the floors or sofas of friends and relatives. The evidence also shows that women are especially vulnerable to this form of homelessness rather than the more visible occupancy of emergency hostels and night shelters which cater primarily for homeless men.

In addition, there are more than 50,000 people living in hostels and common lodging houses, and more than 100,000 Supplementary Benefit claimants living in board and lodging accommodation (excluding hostels). For the majority this means temporary bed and breakfast accommodation in poor standard and overcrowded 'hotels'. Since people living in these communal establishments are not recorded as households, once again they are ignored in the conventional estimates of the demand for housing.

Underlying all these manifestations of shortage is the drastic decline in rates of housebuilding over the past 20 years. In 1967 and 1968 more than 400,000 homes were built, divided almost equally between the public and private sectors. By the mid-1970s the average had dropped to just over 300,000, with the shares remaining broadly the same. From then, the numbers dropped steadily year by year, reaching the nadir of 171,000 in 1982 – and with only 50,000 of these in the public sector. In short, the annual level of house building in Britain is at less than half the level of 20 years ago. The number of new homes built for rent is a quarter of the

level achieved in the late 1960s.

It is, of course, true that too many of those homes were the systems-built disasters described earlier. The failure now is that instead of learning from those errors by building well-planned rented homes of good quality, public sector house building has been almost abandoned. The shortages in the rented sector have been further exacerbated by council house sales under the 1980 Housing Act. More than 800,000 council homes have now been bought by existing tenants since 1979 – overwhelmingly houses rather than flats, and including a disproportionate number of the most attractive properties.

Investment priorities

There are three major investment priorities. Firstly, action is urgently needed to tackle the problems of unfitness and disrepair in the private sector. Given the failure of financial inducements to private landlords, the main thrust of Labour's policy should be the use of compulsory purchase powers against those who have failed to bring their property up to a satisfactory condition, plus the statutory right described earlier for private tenants to require the local authority (or a nominated housing association or cooperative) to buy the property. Stronger and faster powers are needed to compel landlords to carry out outstanding repairs or remedy inadequate fire and other safety precautions. Resources should be concentrated in the worst areas of run-down older housing, but avoiding the arbitrary tight boundaries of the Housing Action Area and General Improvement Area approach. It is essential, however, that staff engaged in the work of housing renewal are based in local neighbourhood offices and that local committees are set up through which local residents and councillors can oversee progress on improvement programmes.

Because it favours the better-off, the present system of improvement grants to

owner-occupiers cannot be justified, and is in need of reform. The basic dilemma stems once again from the tension in housing between the collective and the individual. There is absolutely nothing wrong with directing public expenditure at the improvement of the national housing stock. In the private sector, however, the resulting capital appreciation is enjoyed by private households, at the expense of the community as a whole.

The recent Green Paper on home improvement recognises and attempts to tackle this problem – but cannot do so constructively because it is imprisoned within the Government's wider housing and public expenditure policies. The role of local authorities and housing associations in acquiring and renovating decaying private sector housing has been virtually ended. No incentives have been proposed to encourage private owners to undertake more responsibility for the upkeep of their homes – indeed, record mortgage interest rates must have the opposite effect. The Green Paper specifically rejects the view that minimum housing standards must move with the times, instead proposing a new standard of 'unfitness' in some respects below that now prevailing.

It is in this context that the Government propose sharply to reduce the availability of grants, partly by means-testing and partly by a switch from grants to loans.

We do not believe that means-testing is the right answer to the problem of public money and private gain. The disadvantages of means-tests are well known. There is in addition a risk that necessary improvements to the housing stock will not take place because the present occupiers are denied help – very probably with greater costs for the community in the longer term.

Thus it is preferable to retain the general availability of financial help, while trying to ensure that private gains are clawed back to the public purse at an appropriate time. Adequate capital taxation on housing would be one approach –

considered further in chapter 7. An alternative is the approach now supported by the Government – that improvement grants should be treated as long-term loans, registered as a charge on the property, and thus reclaimed when the property is next sold. The Government's particular proposal is defective, in that it ignores the 'valuation gap' – the frequently-observed phenomenon of improvements adding less to the value of the house than they cost to carry out. But this is not an inherent feature of the general approach.

We would also support the development of 'agency services' by local authorities, housing associations and cooperatives to advise home-owners on the work that is needed; concert the resources of the local building industry; and supervise the conduct of the work. The experience of pioneering 'staying put' schemes for elderly people who want to remain in their present homes has shown the value of this approach.

The second key investment priority is to modernise older council property and to put right the major defects on post-war estates. It is monstrously unfair that the 1984 Housing Defects Act gives private owners the right to compensation, yet denies any legal remedy to tenants trapped in defective estates. A programme for dealing with defective housing must aim to tackle all such properties, whether privately owned or tenanted. It must be built on the basis of a partnership between central government, local authorities and the residents. And the priority should be the health and safety of those living in defective homes.

Thirdly, a programme of new house building is needed, most urgently to reduce the acute shortage of satisfactory public rented housing. The need for new building is clearly most acute in some areas of higher economic activity, household movement or formation and historical housing shortage. Local authorities and other social agencies also need to be encouraged to plan a wider range of housing

provision than in the past, including more furnished accommodation for single people, more supportive accommodation, small hostels and shared housing developments, and the development of "direct access" emergency accommodation in each area. The relative contributions of local authorities, housing associations and housing co-ops should be determined primarily by the preferences of prospective tenants.

Despite the urgency of the demand for more homes, however, priority must be given to providing housing of the best possible quality. Past experience shows only too clearly the folly of sacrificing standards to short-term expediency. The homes of the future should be carefully planned, wherever possible in consultation with the people who will live in them. In the main they should be low density developments, predominantly houses with gardens, built to tried and proven building methods, and including proper sound insulation, thermal insulation and energy-efficient heating methods.

While concentrating on expanding the supply of rented housing, however, a Labour Government should avoid any complacent assumption that everything is rosy in the private sector. Intervention is needed here too – a point we return to in Chapter 6.

The role of public sector acquisition

If the Labour Party is to campaign vigorously for the right of every member of the community to a safe, secure and satisfactory home, hopes will be raised. Thousands and thousands of people, including all those who are unable to obtain a home of their own at all, will properly expect that a new Labour Government will act quickly to meet that commitment.

The difficulty is, however, that new house-building is painfully slow – and more so if crash programmes are firmly rejected. Remedial and renovation work on defective or sub-standard properties is vitally urgent, but it does not provide

more homes. The risk is that, once again, hopes will be shattered and people desperate for a home disillusioned.

Resolving this dilemma is absolutely essential if Labour's housing policies are to retain credibility and committed support. In the early years of a Labour Government this can only be done by a major programme of acquisition of good quality homes from the private sector, to be let as rented accommodation by local authorities, housing associations and housing co-ops. We need, in fact, to rid ourselves of the profoundly conservative idea that public rented housing must be ossified forever in the form determined by what has been built for public landlords historically – minus the dwellings bought by tenants. If it is imprisoned within this politically determined legacy, it is inevitable that public housing will be equated with unpopular flatted estates.

There have, of course, been 'municipalisation' programmes in the past, concentrating on the purchase of run-down older properties. As already argued, there is an important role for this form of intervention, since the vast majority of private landlords have neither the will nor the resources to carry out the repairs and improvements that are needed.

In addition, however, every year approximately 1,400,000 homes change hands on the owner-occupied market. The majority of these are houses with gardens – exactly the type of dwelling in heavy demand in the public rented sector, yet lost through the 'right to buy' policies of the present Government. By acquiring only a small fraction of the houses voluntarily sold with vacant possession, local authorities and other social agencies could begin to redress quite rapidly the unprecedented losses of rented housing experienced during the last six years.

Such purchases could come about in a variety of ways. The previous chapter discussed a 'right to rent' scheme under which the homeless and ill-housed would be able to identify a suitable home for

public sector acquisition on their behalf. A statutory duty to replace dwellings sold was also proposed. Alternatively, local authorities might simply enter the market on their own initiative. Or it might be possible to strengthen their position by giving councils a statutory right of first option to purchase any vacant dwelling put up for sale.

Such a programme might have some inflationary impact on house prices. The scale of this risk would clearly depend on a number of factors, including the size of the programme itself; the extent to which increased opportunities to rent reduced the demand to buy; and the response of housebuilders to a reduced supply of second-hand dwellings. Areas with little land available for new building would clearly be most vulnerable. The diversion of an appropriate proportion of building society funds to local authorities could dampen inflationary pressures.

At the end of the day, however, some impact on prices should probably be accepted. The object of the exercise is, after all, to redress the imbalance of opportunities between renters and owners. Within the owner-occupied sector, however, any such redistribution is not going to occur through administrative rationing; it can only come about through the adjustment of owners' housing consumption to a slightly higher price level.

It is true that such interventions do not increase the supply of dwellings for the community as a whole. The justification is that the Tory Government has enforced a viciously discriminatory cut-back and transfer of rented housing, in favour of owner-occupation. On grounds of social justice and equality of treatment, a future Labour Government would be totally reasonable in reversing this process.

New forms of democratic planning

It is commonplace to conclude analyses of future housing programmes with targets for the numbers of homes to be built, renovated and made fit. The flaw in that

approach is not only that such projections tend to be highly arbitrary but also that they reflect a persistently centralist approach.

A housing policy constructed from the bottom upwards must mean that housing plans and priorities are set locally, based on full discussions with those in unsatisfactory housing – and those without a proper home. If local authorities were under a statutory obligation to prepare annually a comprehensive assessment of housing needs and demand in their area, to discuss this with local people and to publish their report and plans, this would provide an essential framework for local housing programmes.

There will sadly be some authorities which fail to match this assessment of unmet demand with adequate plans. If there are stronger statutory rights to proper housing for everyone, this would be far

more difficult than at present, but it is still likely that some councils would abrogate their responsibilities. In these circumstances, strategic use should be made of Housing Corporation funding for housing associations to ensure proper programmes of social rented housing.

The opportunity is there for Labour-controlled councils to adopt this new approach *now*. They can make a full assessment of unmet need in their areas. They can draw up, in collaboration with local tenants' and other community groups, plans for the housing programme that is needed. Preparations can already be started for imaginative housing developments of good quality, which excite the imagination and commitment of the people who will benefit. And all this can be the basis for vigorous local housing campaigns, publicising what Labour's housing programme will do.

5. A Better Deal for Renters

The policies discussed above can transform the condition of the housing stock and the quality of homes available, especially to those who need or choose to rent. However, the aim of developing rented housing which is as attractive as owner-occupation cannot be achieved without radical changes in the ways in which existing public housing is run.

No analysis of local authority housing can carry conviction unless it recognizes the gulf that separates the ideas from the realities of everyday experience. Many council tenants feel alienated from their landlords. Very commonly tenants complain of remote bureaucracies, of being treated with disdain by officials, of not being able to obtain redress for grievances and lacking any opportunity for choice.

There are two inter-connected reasons which explain why this has happened. First, the management of local authority housing has developed in the ideological tradition of Victorian paternalism and within the framework of centralised municipal bureaucracy. It has been a producer-dominated form of housing, rather than a service shaped by the preferences and aspirations of the users.

Secondly, it has been profoundly conditioned by the dictates of scarcity. Since demand exceeded supply at socially reasonable rents bureaucratic rules were essential to determine priorities. The task of acquiring sites and clearing sub-standard housing, organising the re-housing of the occupiers, planning new developments and allocating the new homes required strong statutory powers and large numbers of staff. The imperatives dictated by need resulted in mass solutions, repetition and rationing.

And as the values of the professionals were matched by these external constraints, the practice became still more deeply imprinted with authoritarian, elitist and centralising tendencies. Housing managers were able to treat their tenants as recipients of welfare hand-outs. Architects and planners were permitted to impose their choices. Two comments from a Director of Housing illustrate the practice:

Interviewer: 'Do you recall a protest about this time by a group called the Beckton ward Residents' Committee?'

Director of Housing: 'Oh yes. Very strong protest.'

Interviewer: 'How did it work out in the end?'

Director: 'Well', (surprised) 'like it had to. I mean, we're open, the facts are available. We had protest meetings and we simply told people the truth and said "You want to get out of these rotten slums. We've got to build the accommodation necessary for you. Here it is on the doorstep, in high rise! And that's all we can offer you" . . . You know, there's a skill in dealing with people that achieved that result'.

'When people are offered the accommodation we endeavour to make the offer as reasonable as we can in accordance with requirements. We endeavour to spell out to people that if they think they're going to get a house they're going to be jolly unlucky, so they'd better say they're prepared to take something else . . . We can't afford too much picking and choosing'. (P. Dunleavy, *Politics of Mass Housing*, Clarendon Press, 1981).

Local management and control

Our urgent task is to rescue public housing from this statist embrace and re-define the purpose of social welfare policies. As the Fabian Society submission to the Labour Party's recent housing policy review stresses, Labour has suffered from its attachment to large, hierarchical, centralised state bureaucracies. However, there is also a strong decentralist tradition in socialist thought, and Labour now needs to show that it is genuinely prepared to devolve power and to trust people to make choices for themselves. (*Housing: Choice for People*, submission by Fabian Society's Housing Working Group to the Labour Party NEC/PLP Joint Policy Committee on Housing, May, 1985.) The submission cites an impressive range of Fabian pamphlets over the years which have advocated this approach. For example, Brian Abel-Smith wrote in 1964:

"We have got to rid ourselves of the autocratic frame of mind of some civil servants, local government officers and councillors – even Labour councillors. Too many of these people see themselves as givers – endowed by this relationship with the right to determine the exact shape, size and character of the gifts, irrespective of what the beneficiary sees as his needs . . . Unless there are very strong reasons to the contrary people should be allowed to make their own choices, and the state's job is, first, to widen the range of choice available, second, to restrain the opportunities for excessive privileges and, third, to warn, counsel and advise, leaving the final decision to the individual." (B. Abel-Smith, *Freedom in the Welfare State*, Fabian Tract No 353, 1964).

Public housing must be re-shaped as a service responding to the expectations of those who live in it. The key principles, closely intertwined, are that tenants should be encouraged to take responsibility for as much control of the running of their homes as they wish; the day-to-day services must be the responsibility of known and accessible individuals, based at estate level; and decisions must be devolved to the most local level practicable.

Some of the most influential advocates of this approach in recent years have come from the Department of the Environment's Priority Estates Project (PEP), set up to work with local authorities to establish housing management and maintenance teams on run-down unpopular estates that are hard to manage. Their recent leaflet outlines "The PEP approach":

* an office on the estate open to residents Monday to Friday

* all staff needed to run the estate based at the estate office

* all key management tasks, including control of repairs, carried out from the office...

Successful management of the estate depends on the full backing of the majority of residents. They should have the major say in defining problems and setting priorities for improvements. They have a critical role in making the estate a safe place to live and in holding the community together. Staff must build into their work effective ways of consulting residents and of securing their support".

Many socialists are understandably suspicious of any ideas emanating from the Tory Government's Department of the Environment – but one of the most intriguing sights of the last few years has been the successful partnership between the Priority Estates Project and a number of the most well known left-wing Labour councils! Their justification is that the principles underlying the PEP approach are wholly consistent with a socialist policy. "Trust the tenant" is a slogan which should be above the desk of every councillor and housing officer. "Small is beautiful" is certainly true for the organisation of housing management. Compensating for the poverty of run-down neglected estates is a socialist priority.

This is not to deny that the motives of Tory Ministers are very different. Showing that better local management can reduce empty properties and increase the popularity of estates can be used politically to justify still more cuts. Good local management becomes an *alternative* to

adequate levels of housing investment, while for Labour they must go hand in hand.

Once the broad principles of local management and control are accepted, they can take a variety of institutional forms – largely depending on how far the tenants themselves want to go. The vital minimum is that public landlords should afford real rights of consultation to representative tenants' associations – and should ensure, without compromising their independence, that these have the resources and support to make this a reality. There has to be a complete break with traditional Labour suspicions about autonomous forms of popular organisation.

Taken a step further, similar arguments favour the development of housing co-operatives, through which tenants collectively own and control the homes they live in. There are now more than 200 such co-ops registered with the Housing Corporation. Despite having to surmount considerable administrative, financial and political obstacles, many co-ops have shown the benefits that can be gained from full tenant participation and control. Some have made a significant contribution towards housing groups excluded from other forms of decent housing, some have played an important role in the regeneration of inner city neighbourhoods. Yet some have had to counter strong opposition from Labour councils – most notoriously in Liverpool, where co-op members had pioneered the full involvement of prospective tenants in the planning and design of their future homes, only to encounter a new Labour council insistent on traditional council housing as the one true way.

Two arguments are commonly used against these movements towards local management and tenant control. First, it is claimed that they are simply a way of shifting responsibility for inadequate resources onto tenants, and making the most junior staff the scapegoats for Government cuts. This interpretation mis-

reads the process that can take place. Of course the scale of resources is a critical issue, and no form of local action alone can secure those resources. But what most commonly happens within traditional council structures is that problems caused by lack of funds are not distinguished from problems due to administrative inefficiency or political insensitivity. The positive benefits of local control are that tenants can understand the causes of different problems and respond appropriately, while councils are more likely to develop the public support they need in campaigning for more resources.

The second argument against local control is that it lacks fairness and objectivity in making decisions, especially in relation to housing allocations. Local authorities, it is maintained, are able to balance the competing priorities and ensure that impartial rules are implemented. If these decisions were devolved to the local level, and especially if tenants had a say in allocations, this would result in discrimination against unpopular minorities and opportunities for nepotism and graft.

These fears are voiced by many reasonable people, with a serious concern to protect the reputation of local government and to ensure that priority is given to those in housing need. The consequence, however, is that ordinary tenants are denied any say in who is offered housing. Exclusion from responsibility inevitably breeds resentment. It then becomes scarcely surprising that, for example, long-established tenants, unable to obtain transfers and desperate to find homes for their grown-up children, react with hostility to outsiders who they feel have been imposed upon them and their neighbours.

Yet there are experiences from co-ops which show that tenant control of allocation can work fairly – even, perhaps especially – in multi-racial areas of acute housing need. Decisions on eligibility for rehousing should be determined by reference to a local authority's overall priorities, and monitored to ensure equal access

of ethnic and other minorities to all standards and types of public housing. But the practical decisions on which an individual is offered a particular house or flat can be made at the local level, with safeguards enforced both through statutory regulations against discrimination and proper monitoring procedures.

An unambiguous defence of the needs of vulnerable – and sometimes unpopular – minorities is essential in a genuinely socialist housing policy. This is bound to involve difficult choices and conflicts of view in a time of worsening housing shortage. Experience suggests that where tenants are able to share in decisions and secure at least some of their legitimate priorities (eg to have some lettings for “sons and daughters” on their estate), the majority accept the importance of enforcing agreed rules scrupulously, giving priority to housing need and offering access to newcomers from outside their estate or area.

Underlying this debate is a more fundamental issue. Social priorities cannot be imposed by an allegedly enlightened elite. They need to be accepted as fair and right by the community as a whole. The dominant tradition of municipal housing belongs to the elitist school, ignoring the prejudice and stigmatisation that is practised in centralised bureaucracies as well as the antagonism of tenants to decisions imposed on them from above.

What needs to be recognized is that, while there may be opposition to certain just and socialist allocation policies, in tackling this there is no alternative to persuasion – to creating a progressive consensus by active leadership. Prejudice against racial minorities, hostility to the homeless, neglect of people trapped in institutions – these are attitudes that must be tackled by open argument in order to win a shared commitment to policies that are sensitive and fair.

Individual rights

So far in this chapter we have concen-

trated on proposals to develop tenants *collective* control over their housing. This is a distinctive and valuable potential within rented housing. But much of the allure of home ownership has, of course, rested on the *individual* rights which it offers to the householder. These are not reactionary rights from a socialist point of view; nor is there any reason why they cannot be matched in the rented sector.

A number of detailed 'tenants' charters' have been put forward in recent years by such bodies as the National Consumer Council, Labour Housing Group, and of course tenants' organisations themselves. We do not want to trot out another such shopping list here, but the underlying principles are important.

Tenants' rights should give real *control* to the individual tenant. Take repairs, for example: *both* tenants and home-owners face major difficulties in getting repairs done. But while the owner is able to take his or her own decisions, the tenant is at the mercy of a bureaucratic machine over which there is little or no sense of control. Local management should help; but as a back-up the tenant's contract must contain clear legal rights to repairs.

Tenants' rights should foster genuine *equality* between tenant and landlord. The paternalistic view of the tenant as the recipient of a welfare hand-out should give way to a perception of the tenant as customer, linked to the landlord not by bonds of condescension and gratitude but by a contractual relationship. If local authorities find it too hard to disentangle such a relationship from their wider social service functions, more emphasis might ultimately have to be placed on other social housing agencies.

To be useful rights must, of course, be readily enforceable. A third key principle is therefore that of *access* to the landlord's procedures. The courts are too remote and uncertain a procedure for enforcing tenants' rights. Landlords have the responsibility themselves for providing machinery for the rapid resolution of dis-

putes. There is also a case for separating the Environmental Health Service from the local housing authority, perhaps placing it under county authorities or the Health & Safety Executive, so that its independent enforcement role can be made available to council tenants.

A final key principle is, once again, that of *choice*. Critical here is the maximum extension of individual rights into the allocation process. Priority schemes should be published and transparent, so that tenants and applicants can make informed judgements between options. Mobility should be greatly extended, both within and between local areas, by such measures as open transfer lists, rights to exchange, and the strengthening of the present inadequate machinery for inter-authority transfers. Free movement should in principle be much *easier* in the public rented than the owner-occupied sector, and it is tragic that this potential has been squandered by bureaucratic inertia and parochialism.

The future for private tenants

Private tenants should have the same rights as those in the public sector – to satisfactory standards, to security of tenure, to control within their own home and to means of redress against failure to meet any of these obligations.

All the evidence suggests, however, that the great majority of private landlords are not willing to let accommodation on these terms. The price demanded by landlords – and their political supporters – for regeneration of the sector is wholly unacceptable to socialists: removal of security and no control over rents. The objective of Labour's policy, therefore, must be to secure the transfer of privately rented homes either into social ownership or to owner-occupation. The motive power in this process should come from tenants themselves, who should have the right to buy their home or to require its purchase by the public sector. Where tenants in a group of flats wish to exercise

these rights collectively, they should be entitled to do so.

This transfer to more acceptable forms of renting or owning cannot be achieved immediately – and will probably take 10-15 years. In the meanwhile up to 10 per cent of all households will continue to live in privately rented accommodation, and action must be taken to strengthen their rights and improve their conditions. We have outlined in Chapter 4 the policies needed to tackle the severe problems of unfit, poor amenities and disrepair in the private rented sector. In order to ensure that action is taken, local authorities must be under clear mandatory duties to inspect and enforce adequate standards of safety, repairs, amenities and management – especially in the multi-occupied bed-sits, hostels and lodging houses which contain some of the very worst conditions.

Private tenants also need better protection against excessive rents. Under the Tories, the methods of rent assessment have increasingly favoured the landlord – with re-registration now taking place every two years and rents being increased more rapidly than prices as a whole. Rent Assessment Committees are dominated by solicitors, valuers and surveyors and frequently display a bias towards the landlord. Reforms are needed which more effectively limit rent increases, especially where repairs are neglected.

Fundamental to the protection of tenants, however, is security of tenure.

Without this, most other rights are often scarcely worth the paper on which they are written, and tenants become vulnerable to harassment and intimidation. Successive Rents Acts introduced by Labour Governments have sought to confer security of tenure but each has been marred by major legal loopholes. Landlords have exploited these, often with the complicity of the courts, so that now only a minority of lettings fall within the protection of the Rent Acts. Although the courts have recently rejected the use of non-exclusive license agreements, in the *Street v Mountfort* judgement (Times Law Reports, 3 May 1985), it is still too easy for landlords to evade granting secure tenancies through so-called holiday lets, bed and breakfast and other devices. And the shorthold tenancy provisions in the 1980 Housing Act have provided further means for unprotected lettings.

Following a Private Tenants Rally held in December 1983, a Charter of Private Tenants' Rights has been produced by private tenants federations, law centres and other campaigning housing groups. This sets out clearly the arguments for security of tenure for all tenants of absentee landlords, excluding from full security only lettings by resident landlords where there are shared living arrangements and other special cases licensed by the local authority. Labour must strongly support these policies, which should form a key element of the proposed Housing Rights Act.

6. Sensible Help to Home Owners

It is frequently implied that almost all home owners are well off and well housed. The reality, as described in Chapter 4, is that home owners are by no means a homogeneous group. Whilst the majority do enjoy good housing conditions, there are a substantial number of owner-occupiers in unfit or poorly repaired property. Older people, in particular, on low

incomes are likely to occupy homes in a deteriorating condition, which they cannot afford to put right – or cannot face the anxiety and upheaval of trying to do so. There are younger families, especially from ethnic minorities, who have been coerced into house purchase by lack of any acceptable alternative and now find it hard to cope with the costs of mortgage payments and the upkeep of their home – especially when interest rates rise, unforeseen major repairs occur or their income is cut by redundancy or short-time working.

Almost all owner-occupiers experience frustrations from the defects in the present system of home ownership in this country. The process of buying and selling a home is a nightmare for many people. The huge expansion of building society lending has provided the bulk of the funds for the mortgages that purchasers need – but the ‘front-loading’ of mortgage payments means that in real terms the costs are greatest in the early years, which is often when responsibility for dependent children and restricted household income makes this especially onerous.

There could be enthusiastic support for Labour policies shaped to tackle the *real* problems owner-occupiers face. The confused and conflicting attitudes to Owner-occupation within the labour movement have tended to result in the worst of all possible worlds – paralysis in respect of the indefensible privileges of many better-off owners and inaction on the problems which require imaginative responses.

The pre-occupation of Tory policies has been with expanding owner-occupation through the ‘right to buy’ and other initiatives to promote ‘low cost’ home ownership. Initiatives such as shared ownership, improvement for sale and home-steading have had only a modest impact, despite constant Ministerial razzmatazz. Between 1979 and 1983 there were only 7,000 shared ownership sales by local authorities and housing associations together and only 1,090 improvement for sale purchases. The sale of 800,000 council houses since 1979 clearly tells a different story, but the evidence strongly suggests

that the rate of sales has now peaked, and is predicted to fall to under 70,000 a year. Still higher discounts might possibly reverse the downward trend, but even the present Tory Government may balk at virtually giving properties away. Some council tenants will continue to buy – particularly middle aged married people whose children have grown up – but the phenomenon of the 1979-83 period will not be repeated.

The rapid growth of owner-occupation in Britain took place in historically specific conditions, which no longer exist. In the inter-war period, production for private ownership flourished within the exceptionally favourable context of ready land availability in suburban areas, low interest rates, plentiful mortgage finance and rising real incomes amongst middle class households. The post-war years witnessed 30 years of rapidly rising living standards for most people, and especially skilled workers, a large potential supply of dwellings previously owned by private landlords, adequate green field land for new building, a massive growth in mortgage finance and consistent political support for generous tax treatment.

The prospects for the next 20 years are significantly different. Not only will the number of properties bought from private landlords inevitably fall, but the problems of disrepair in those acquired previously will become more onerous. There is a dwindling supply of land for housing development on easy green field sites. More than 3 million people are registered as unemployed and the rate of economic

growth is unlikely to return to post-war levels. The 'right to buy' inducements cannot be repeated. Only mortgage tax relief – and other tax benefits – remain to lure prospective buyers (reinforced by the barriers at present to other alternatives). But the cost of tax relief to the Treasury is now enormous, and the consequences in higher house prices actually make it more difficult for first-time buyers.

The private housing sector is now facing intractable difficulties. And the policies which brought rich *political* dividends for the Conservative Party, especially over the past decade, can neither sustain the same rate of expansion in home ownership nor solve the problems that growing numbers of owners face. If the Labour Party can develop effective policies on these issues, there is an opportunity to recapture the lost political ground. There are four key areas where practical initiatives can be taken to give sensible forms of help to home owners.

Housing production

The shortcomings of the private housebuilding industry have been well-documented. They include disruptive instability in the level of output; poor conditions of employment and inadequate training, both reflecting the extensive use of casual labour; the use of unproven production methods and skimping on quality and space standards; and a bias towards developing green field sites rather than the more difficult inner city locations.

These weaknesses create major difficulties for private buyers, and they must be tackled. While the reflex response might be public ownership, however, we are sceptical about this as a panacea in housebuilding – though we would certainly support a more effective attempt at public ownership of development land. Private building companies, precisely because of their dependence on casual labour and other hired resources, are insubstantial entities, which there may be little value in acquiring. On the other hand, while there

is a major longer-term potential for an expanded role for local authority Direct Labour Organisations, the track record of Labour authorities as managers of these is patchy, and expansion would have to be a careful and gradual process.

In the short-term, therefore, we believe a framework of greater public intervention and regulation is needed. The Government should concentrate on stabilising the supply of mortgage credit, developing satisfactory minimum standards and imposing an adequate national training scheme on the industry. Local authorities should as a minimum use their planning powers positively to control the quality and location of private building in their areas. Or they can intervene more directly by assembling land packages, using compulsory powers where needed, or by undertaking building for sale schemes. The immediate value of such schemes will be to plug gaps neglected by the private market, particularly in inner urban areas, but local authority housebuilding could in future evolve as a competitive public enterprise.

In some areas there may also be opportunities for selling some existing council dwellings for owner-occupation, especially where local authorities have a disproportionate number of flats and are actively acquiring houses of the type that are needed for rent from the private sector. In all these areas the use of nomination arrangements can secure social control over allocations, giving priority to those waiting list and other applicants in need of homes in the area and who are able to buy.

This socialisation of owner-occupied housing could be taken further by new legal forms of ownership-in-use. Local authorities would assume responsibility for the production and allocation of the accommodation, including reversion to the council when the occupier moves. During the period of occupation, the legal status and rights would be those of full ownership. There could, however, be the option of contracts for repairs and mainte-

nance, especially for elderly or disabled home owners.

House exchanges

Every year in Britain almost 1½ million households buy and/or sell their home. For many people it is not only a nerve-racking, but an unnecessarily expensive, time-consuming and inefficient process. In the past criticism has concentrated on the conveyancing monopoly of solicitors. Thanks to the pressure generated by Austin Mitchell's Private Members Bill, action is at last being taken to reform the legal procedures for buying and selling a home. The authorisation of licensed conveyancers is already resulting in substantial reductions in legal fees, although the Government has now backtracked on proposals – promised to Mitchell – to allow building societies to include conveyancing in a 'one stop' service. Proposals for a log book for each house would bring further benefits. The log book would show the legal title to the property and contain details of all legal searches, the answers to all standard inquiries and the results of an independent survey. The log book would be made available by the seller to the prospective purchaser as soon as a sale was agreed. By placing the onus on the vendor to provide this information at this early stage, the procedure would save a considerable amount of time and abortive effort.

Changes are just as badly needed in relation to the role of estate agents. The fragmentation of the estate agency business into a very large number of mainly small firms frequently requires a prospective buyer to collect information from numerous agents. This information is often duplicated and rapidly out of date.

The costs of estate agents are exorbitant, especially in London where fees of 3 per cent (plus VAT) on the selling price are now standard. Thus the payment to an estate agent for an average London property is almost £1,500 – often for little more than distributing information to potential

buyers and handing out keys. The system is primitive, anarchic and costly.

And all the signs are that the difficulties will get worse. The most vulnerable part of the process is the need for all members of a chain of buyers to be able to exchange contracts and complete the sales simultaneously. The difficulty of achieving this frequently results in long delays, broken deals or risky dependence on bridging finance.

Historically, the length of chains has been very short and this has kept the problem manageable for most people. The main reason for this, however, has been the high proportion of first time buyers. Inevitably this is falling because of the larger size and slower growth of the owner-occupied sector. The prediction must be that chains will lengthen – and cause havoc for people buying and selling.

Local authorities could play an important part in developing a cheaper, and less hazardous process. A first step would be to set up a municipal estate agency service on a self-financing (but non-profit making) basis. Making full use of computer facilities for data processing, such an enterprise could surely provide its clients with a better service at less cost than the typical commercial estate agent.

This could be extended into 'chain-breaking' initiatives, where transactions are being held up purely because of the difficulties of synchronisation. In effect, the local authority would act as a second-hand dealer, buying property and then re-selling. If the local authority had the first option to buy homes put on the market, as suggested earlier, this could have a double benefit, giving a straightforward sale to the vendor and enabling the local authority either to let as rented accommodation or re-sell, according to local circumstances.

New municipal or co-operative services

There is a range of further services to home owners which local authorities

could develop, either directly or by assisting the formation of new co-operatives. These can not only be valuable in themselves, but also demonstrate a new approach in responsive public services to all tenures.

'Staying put' schemes for elderly owner occupiers have been successfully pioneered in several areas. It is clear that many older people much prefer to live independently in their own home than move to sheltered housing (or live with relatives). This can be practicable, provided appropriate aids and services can be made available. These can range from installation of an alarm system; physical adaptations to help mobility; regular home help, meals on wheels and other social service support; and assistance in getting repairs and improvements done to the house. Properly organised, this approach can be much more satisfactory and less expensive than special institutionalised provision – but it does require comprehensively co-ordinated, adequately funded and personally sensitive services. It must be the reverse of the present Government's "Care in the Community" policies, through which people are being moved from institutions under the guise of progressive rhetoric, yet without access to the adequate housing, support and care that they need.

Agency services for improvements are another positive initiative, described briefly earlier. These can be especially important for the growing numbers of elderly owners, but there are many more owner-occupiers who are intimidated by the complexities of organising major improvements to their homes. Agency services can advise on the extent of work needed, recommend sources of finance, prepare specifications, suggest lists of reliable builders, arrange the contract and supervise the work.

As well as helping owners, such services should improve the efficiency and value for money of the whole improvement process. For example, many owners are vulnerable to a bad deal from their builder on improvement work, not simply because they are inexperienced, but also because the builder knows they are unlikely to be wanting similar work for many years. An improvement agency service – with knowledge of builders' performance and the power to remove from their recommended list – has much more leverage if work is being badly done.

Another initiative could be the formation of municipal or co-operative management services to tenants or leaseholders in private flats. There are some areas of London with large numbers of mansion flats. Repairs, cleaning of common parts, maintenance and other services are usually organized by managing agents – sometimes appointed by the landlords, sometimes in consultation with the residents. Yet the standard of service from managing agents is frequently appalling. Work is done badly, complaints are ignored, and residents can be faced with sudden and unjustifiably high service charges.

There is a need for legislation to entitle long leaseholders to acquire collectively their freehold and to appoint the managing agents. In itself, however, that would not be enough – there is an almost total lack of efficient, responsive private firms. Local authorities could themselves develop these services – or preferably assist the residents in the establishment of management service co-operatives, democratically controlled by the people using the services. In addition the leasehold system should be entirely abolished for self-contained houses.

7. Financial Fairness for All

A central argument of this pamphlet is that every member of the community should have the right to decent housing, and that to the maximum possible degree people should be able to choose between different tenures and forms of housing of equal status. This aim cannot be achieved, however, if choices are biased by arbitrary and inequitable financial arrangements, which give privileges to some households and unfairly penalise others. All the evidence shows that the present system of housing finance in Britain is acutely inegalitarian, inefficient and divisive.

A socialist policy on housing finance should have three major objectives. First, to reduce inequality by progressive forms of assistance with housing payments that give most benefit to households with the lowest incomes and highest housing costs. Secondly, to encourage socially desirable forms of housing production and maintenance, both through the availability of capital finance and the distribution of subsidies. Thirdly, to ensure parity of treatment between tenures.

Present arrangements totally fail to meet these objectives. Most blatant is the system of mortgage tax relief to owner-occupiers, which gives most help to better-off owners with larger mortgages. As Table 3 shows, since 1979/80 the cost of mortgage tax relief has risen from £1,450 million annually to an estimated £3,500 million in 1984/85.

Table 3

| Cost of mortgage tax relief £ million | |
|--|-------|
| 1979-80 | 1,450 |
| 1980-81 | 1,960 |
| 1981-82 | 2,050 |
| 1982-83 | 2,150 |
| 1983-84 | 2,750 |
| 1984-85 | 3,500 |

Equally significantly, as Table 4 demonstrates, relief provides the greatest benefit to those who need it least. Whilst the 200,000 households with a total income of between £5,000 and £6,000 receive average annual tax relief of £280, the 190,000

household earning over £30,000 receive relief of £1,290 annually. In short, the richest owners receive more than *four* times as much subsidy as those with less than a *fifth* of their income. It is impossible to condone such grotesque unfairness.

Table 4
Taxpayers receiving mortgage interest relief
and
average relief by range of total income 1984-85

| Range of total income (lower Limit) £ | Numbers receiving mortgage interest relief Thousands | Average relief per mortgagor £ |
|--|--|--------------------------------------|
| 3,000 | 65 | 130 |
| 4,000 | 130 | 230 |
| 5,000 | 200 | 280 |
| 6,000 | 340 | 375 |
| 7,000 | 410 | 410 |
| 8,000 | 510 | 430 |
| 9,000 | 460 | 430 |
| 10,000 | 1,060 | 460 |
| 12,000 | 1,130 | 510 |
| 15,000 | 950 | 570 |
| 20,000 | 530 | 820 |
| 30,000 | 190 | 1,290 |

(Source: Parliamentary answer by John Moore, Financial Secretary to the Treasury to Chris Smith MP, 4 February, 1985.)

Meanwhile, general subsidies to local authorities for housing have been almost *halved* since 1979/80. The total of Exchequer and rate fund contributions has been cut from £1,561 million in 1979/80 to only

£813 million estimated for 1984/85. The major reasons for this are the sharp rent increases demanded by the Government, especially between 1980-82, with the threat of rate support grant penalties for those who refused, and reduced outgoings as a result of the cuts in local authority house building. It is true that further large sums are paid out to tenants in means-tested Housing Benefit. However, this is better regarded as a part of the income maintenance system, as its inclusion in the Social Security table of the Public Expenditure White Paper now recognises. Only the arbitrary exclusion of low-income home-owners from the scheme can make Housing Benefit, misleadingly, appear as a subsidy to public sector housing.

The overall effect of the subsidy and taxation systems, then, is that tenants are severely disadvantaged relative to owners. This inequality is aggravated by grossly unfair rules governing capital expenditure. The most serious are the imposition of rigid Treasury controls over capital expenditure by local authorities, housing association and housing co-operatives, whilst there are no such constraints over capital investment in the private sector. As we have already argued, this might be justified if the public sector alone was heavily subsidised – but now the reverse is almost true. The inequity of treatment is made still worse by the actual nature of Government controls: annual Housing Investment Programme allocations to local authorities (punctuated by total moratoria) which make proper long-term planning impossible; tight limits on acquisition of existing dwellings, especially by local authorities; rigid, Government imposed allocations by the Housing Corporation to registered housing associations and housing co-ops; restrictive project control procedures, which cause costly, time-consuming delays and frustrate many of the most imaginative schemes.

The Treasury public spending conventions are riddled with still more absurdi-

ties. Subsidies to tenants are included with the housing programme in the annual Public Expenditure White Paper, and subject to strict cash limits. Mortgage tax relief, in contrast, is identified only in a brief annex summarising the value of various tax allowances and reliefs – and is totally open-ended. Yet the implications of a rise in interest rates which adds several hundred million pounds to the cost in lost tax revenue of mortgage interest relief can be much more serious than the ‘overspending’ of local authority housing investment that causes the Treasury and Department of the Environment such acute anxiety.

There is also a double-counting of local authority expenditure which adds further distortions. The Public Expenditure White Paper fails to distinguish between borrowing for capital investment and the annual costs of subsidy payable, simply adding the two together. The effect is similar to telling an individual who has taken out a £20,000 mortgage that the first year cost is the sum of the total mortgage plus one year's repayments!

Even these are not the only defects in the present system. Since tax relief enables people to pay higher prices than they could otherwise afford, it also raises the level of house prices – ironically making it more difficult for people initially to become owner-occupiers. And it is wasteful, because it provides no incentive to the maintenance of the housing stock and encourages home-buyers to acquire larger houses than they need.

Fundamentally, the present system of housing finance is deeply divisive. The tax privileges of home ownership have been a major factor in making rented housing a deeply disadvantaged and subordinate form of tenure. Yet within the owner-occupied sector, those in greatest need of financial support – low-income owners and first-time buyers – are themselves disadvantaged by the regressiveness of the tax relief arrangements.

A strategy for reform

It is almost certainly possible to command considerable agreement both on the objectives of a socialist policy towards housing finance and the grave faults of the present system. It would be unrealistic, however, not to recognise the political difficulties of translating these principles into practical Labour Party policies.

A Labour victory at the next election cannot be achieved without winning back a substantial number of the constituencies where a majority of the electorate are now owner-occupiers (including a high proportion of those who changed from being Labour voters in 1979 and 1983). Yet any proposals which mean the withdrawal of any of the benefits currently enjoyed by owner-occupiers – even those already well up the ladder – will be perceived as an attack on home ownership itself. Conservative politicians – and especially Mrs Thatcher – will wilfully distort any proposals for reform, egged on by the right wing media. The recent reaction to Michael Meacher's proposals clearly illustrates this. Yet to conclude that these difficulties make any reform impossible would be a policy of despair. Socialists cannot condone the grotesque inequities within and between tenures, which disfigure any possibilities of genuine housing choice for millions of people. We believe that it is possible to construct a package of reforms, which could be politically attractive and meet the aim of greater fairness. It must also be remembered that there is now considerable support for reform not simply from professional housing analysts, but from respected economists and influential parts of the media. This is not meant to imply some guarantee that such proposals are correct! It could, however, mean that a carefully prepared and coherent set of proposals would be more likely to receive a sympathetic response than many of the policies for change put forward by the Party in the past.

The most important factor is how the Party presents and campaigns for new policies. It is our conviction that if these proposals are put forward simply and clearly, showing who would benefit and what the gains would be, policies for reform could be electorally popular – with many owner-occupiers as well as tenants.

There are already some policies for change which command widespread support and could be swiftly implemented by the next Labour Government.

Housing Benefit

First, the Housing Benefit system should be simplified and extended. The incompetent and mean-minded approach of the present Government has created wholly justified antagonism to the present system, and the recent Green Paper threatens to make things still worse. The crucial principle of reform must be that *all* households receiving Supplementary Benefit (or its successor), or otherwise at or below this income level, must have their actual housing costs – including rates – met in full. Otherwise they are being forced by their housing circumstances to live below the official poverty line. A clear implication of this principle is of course that Housing Benefit should be fully extended to owner-occupiers.

New mortgage arrangements

Secondly, there are opportunities for innovations in mortgage lending, which would particularly help first-time buyers. The index-linking of mortgages would reduce payments in the early years by spreading the costs evenly in real terms over the life of the mortgage. Some schemes of this kind already exist, although the take-up to date has been disappointing. One explanation for this is the failure to promote them energetically and imaginatively. If the advantages were stressed, particularly for groups such as households with young children dependent on a single wage, the take-up would improve. Building societies might also be

encouraged to fund this through a new index-linked savings scheme, which could be attractive for people retiring with a fixed sum of capital.

The abolition of stamp duty on the purchase of domestic property would make it easier for people moving home. Stamp duty is an irrational and unpopular tax, which effectively penalises mobility. It can be argued that it is a form of tax on the capital gains realised by people 'trading up', but it would be more sensible to achieve this directly.

Reform of public sector subsidies

Thirdly, new arrangements are needed for public sector tenants. The key principles are that local authorities should have freedom to set their own rents, but with equity between authorities secured by some redistribution of resources; that the level of subsidies should ensure broad parity of treatment with owner-occupiers; and that housing production should be encouraged by specific investment subsidies and the removal of the disincentives caused by sharply rising debt repayments on new capital spending.

The most effective ways of achieving these objectives would be through a system of national rent pooling and deficit subsidies to local authorities. The authorities with the most severe problems and high Housing Revenue Account (HRA) deficits would receive the greatest subsidy, and this would increase to offset the costs of further housing investment. The HRA itself needs reform to exclude those costs (such as estate lighting or services to homeless households) which should be borne by the community as a whole, not by tenants alone.

The setting of individual rents should be decided by local authorities, but they should be encouraged to do this in ways which are consistent with the extension of choice. There has been a tradition of 'flat' differentials in council housing. While this may sound egalitarian, it must mean that the occupants of the worst housing are

paying too much in order to subsidise those in the best housing – and it also means that the whole weight of responsibility for housing allocation is placed on the council bureaucracy, with no assistance from market signals of consumer preferences.

Removing constraints on capital investment

Finally, the principle of parity between tenures clearly means that there should be no more limits on the freedom of local councils, housing associations and co-ops to provide homes for rent than there are on private builders to provide homes for sale. The Public Sector Borrowing Requirement should be of no greater concern than the borrowing requirement of the economy as a whole.

Central Government controls on local authority housing investment should therefore be abolished. Local councils should be free to plan their housing programmes to meet the unmet demand in their local area – without the constraints of Department of the Environment allocations and project control procedures. The only controls should be *positive* – the requirement to implement statutory obligations on the provision of housing, to satisfy minimum standards, and to produce annually a comprehensive assessment of local housing needs.

Options for wider reform

All of the measures just outlined are important; but none go to the heart of the major inequities with which we began this chapter. Social policy specialists have been debating the best way to tackle these for many years, but as yet without reaching a consensus – not least because of the acute political difficulties.

Those approaching the debate from a social security perspective have often been attracted to some form of *universal housing allowance* (UHA) – a cash benefit for housing costs in whatever tenure, inte-

grated into the wider income maintenance system. The argument that housing finance should be tackled within the overall context of the tax/benefit system undoubtedly has great appeal, and we welcome the attention given to housing in Michael Meacher's recently announced social security proposals. However, we believe some notes of caution must also be sounded. First, the call for integrated reform can turn into a recipe for stalemate, since the problems of simultaneous reform in housing finance, social security and taxation threaten to become intellectually and politically unmanageable. Second, no-one has yet designed a UHA scheme which is less than formidably expensive, precisely because it is a universal benefit targeted – unlike, say, child benefit – on virtually the entire population. Third, no direct stimulus is given by this form of subsidy to housing production. If UHAs are to be seriously considered, the urgent need now is for concrete proposals which meet these difficulties.

Often linked to the UHA idea have been proposals for some form of *housing wealth tax*. Intellectually there is a formidable case for taxing both the wealth represented by owner-occupied housing income in kind – 'imputed rental income' – which owner-occupiers derive from their ownership. Whether this took the form of annual housing wealth tax or something more like the old 'Schedule A' income tax, however, we have concluded that such approaches are not politically viable, at least in the short to medium term. They would be inevitably and damagingly branded as an attack on home ownership itself.

In the renewed debate which will now ensue from Michael Meacher's proposals, the Fowler Reviews and the report of the

Duke of Edinburgh's British Housing Inquiry, therefore, we believe it is important that more organic forms of change are also considered.

Taxation and subsidies in the owner-occupied sector are clearly the critical problem areas. Failing a UHA or a comprehensive tax reform, there is still much that could be done.

In relation to *mortgage tax relief* (MTR), the most urgent reform is to end relief at the higher tax rates. Beyond this, it would be possible progressively to reduce the basic rate of subsidy from its present 30 per cent. This is administratively easy, now that MTR is paid direct to the lenders rather than via personal tax codes, and could proceed in parallel with falling real interest rates as Labour moved to an expansionary economic policy. Such an approach could also accommodate differential subsidies for households in different circumstances – for example, retaining or even increasing the present subsidy rate for first-time buyers. By restructuring tax relief, not uniformly reducing it, Labour could seize the political initiative.

Capital taxation is more difficult. There is clearly a case for imposing capital gains tax on house sales on the same basis as now applies to other assets – i.e. taxing *real* gains, over and above general inflation. But sellers are of course also buyers. A more acceptable approach could be to claw back such gains at the end of an owner's 'career' in owner-occupied housing, perhaps through some form of supplement to capital transfer tax. There are strong arguments for more ambitious and comprehensive reforms, but they will require considerable work to refine and promote. In the meantime it is important that the best is not allowed to become the enemy of the good.

8. Summary

Over the past decade the Tories have been allowed to seize the initiative on housing policy. Their housing record itself is sectarian and shallow – extending home ownership only for a minority of better-off tenants, whilst providing no answers to the difficulties faced by tenants in unsatisfactory conditions, by many low income owners and by all those unable to find a home of any kind. Yet through their policies on council house sales, they have successfully presented themselves as the champions of freedom and choice. Labour's arguments against the 'right to buy' have been, in policy terms, very defensible – but the stance has been widely seen as opposition not only to home ownership itself, but still more fundamentally to the right of people to choose how they will live.

To understand how this happened, it is necessary to look at historical changes in Britain's housing system. In the post-war years council housing offered an attractive alternative to private renting – and for millions of people broke the link between low income and grossly inadequate housing. The comparison today, however, is no longer with the withering private rented sector, but with owner-occupation. And by the 1970s public rented housing had been firmly labelled as the housing sector which offered little choice – over where you lived, how many rooms you had, what colour you could paint the front door. This decline into a stigmatised second best sector was reinforced by deep inequities in housing finance, which the Labour Party has never effectively challenged.

The arguments against council house sales – from the standpoint of those who may benefit – are undermined within an overall housing system – of investment, rights and subsidy – which is grossly biased in favour of home owners. The failure to tackle this fundamental contradiction left the Labour Party vulnerable to the Tory's political assault.

The challenge now is to develop a response which is both principled and popular to the changed housing conditions and

social realities of the 1980s. We need a commitment to real equality in housing, and an acceptance that the state of the nation's housing is a matter of public responsibility. But a home is also something very personal, and it is important to approach it in a strongly libertarian spirit, seeking to advance individual rights throughout the housing system.

* * * *

Owner-occupied housing is essentially available on demand. In contrast public rented housing is rationed – allocated according to local authority decisions on which applicants are most 'deserving' or by limited statutory obligations. The treatment of homeless people is characterised more by the ethos of the Poor Law, than the entitlement to social rights of a civilised democracy, and it reinforces false distinctions between waiting list applicants and those who are homeless.

The way forward must be through a new approach which establishes a legal *right* to housing for all members of the community. This must include an effective 'right to rent', which aims to make rented housing available on demand. Within the context of a sustained programme of investment and a 'right to rent', we believe Labour is justified in supporting a 'right to buy' for

public sector tenants – providing there is a duty to replace homes sold wherever there is an unmet demand and that sales are not on the unfair terms of the present discounts.

* * * *

Through the 1970s the belief became widespread that the real housing problems in Britain were almost solved. This complacency was never justified, even by the conventional measures of housing stress, but the savage cuts imposed by the Conservative Government have made housing conditions far worse. There are now over two million dwellings in England alone that are unfit, lacking basic amenities or in a serious state of disrepair. There are large numbers of council dwellings, including many built within the last 20 years, that need urgent remedial action. Even on traditional assumptions there is a shortage of 500,000 homes, and this ignores the 'concealed' demand especially from the growing numbers of single people wanting to live independently.

There are three major priorities for investment. Firstly, action is urgently needed to tackle the problems of unfitness and disrepair in the private sector. Secondly, remedial action is needed to modernise older council property and to put right the major defects on post-war estates. Thirdly, a programme of new house building is needed, especially of rented houses, and including a wider diversity of provision than in the past.

Despite the urgency of the demand, priority must be given to building homes of good quality. Past experience shows only too clearly the folly of sacrificing standards to short-term expediency. The most effective way of expanding the supply of rented homes quickly is through acquisitions of good quality vacant homes from the private sector.

* * * *

There is a strong decentralist tradition in socialist thought and Labour must show that it is genuinely prepared to devolve

power, and trust people to make choices for themselves. Public housing must be re-shaped as a service responding to the expectations of those who live in it. The key principles are that tenants should be encouraged to take responsibility for as much control of the running of their homes as they wish; the day-to-day services must be the responsibility of known and accessible individuals, based at estate level; and decisions must be devolved to the most local level practicable.

In addition, action is needed to strengthen individual rights in ways which give real control, foster equality between landlord and tenant, and extend greater choice to tenants over where they live. The privately rented sector cannot offer satisfactory and secure homes and the objective of policy must be its transfer into socially rented housing or owner occupation. In the short term the protection given to tenants against eviction and their ability to enforce adequate standards must be strengthened.

* * * *

Not all home owners are well-off and well-housed. The policies which have brought rich political dividends to the Conservatives can no longer sustain the same rate of growth of home ownership nor solve the difficulties that many owners face. If the Labour Party can develop effective policies on these issues there is the opportunity to recover lost political ground.

Greater public intervention is needed in the production of homes for sale. Better arrangements for buying and selling homes would greatly assist owners moving home. And there is considerable scope for new municipal or cooperative services – for example, through agency improvement schemes or as management agents to private tenants or leaseholders.

* * * *

The present system of housing finance in Britain is acutely inegalitarian, inefficient and divisive. A socialist policy

must have three major objectives: to reduce inequality by progressive forms of assistance with housing costs, to encourage socially desirable forms of housing production and to ensure parity of treatment between tenures.

Despite the difficulties we believe that it is possible to construct a package of reforms which can be politically attractive and meet the aim of greater fairness. Immediate steps towards this goal can be taken by the extension of Housing Benefit to meet the costs of low income owners, extending the availability of index-linked mortgages, reforms to public sector subsidies and the removal of centralised controls over local authority housing investment.

More fundamental reforms are needed to achieve real fairness in housing finance. There is much to be said in principle for integrating support for housing into the tax/benefit system through some form of universal housing allowance, perhaps allied to a housing wealth tax. But there are major practical and political difficulties, and more organic reforms to the present mortgage tax relief and capital taxation arrangements are also a serious option.

* * * *

The core of our argument is that the Labour Party can espouse housing policies which are fair, practical and popular. They must be based on a powerful determination to tackle the acute housing dif-

iculties experienced by millions of people in this country. The fundamental principle is that every member of the community has the *right* to safe, secure and satisfactory housing, with the opportunity to choose between different tenures of equal status. This cannot be achieved by reliance on market forces, but requires positive intervention by government, local authorities and socially responsible agencies to increase housing production, enforce legal rights and organise responsive housing services. The objective of intervention, however, is not to increase the power of the State, but to extend the opportunities for individuals and groups to exercise choice and control.

Trapped within an outdated analysis and ideology, the Labour Party has failed to expose the hypocrisy of the Tory claims to be extending freedom and choice. As a result the real issues have been neglected. Housing has slipped down the political agenda. More and more people have been seduced by Tory propaganda.

It is our belief that this retreat can be dramatically reversed. A campaign for decent homes for everyone, at a cost they can afford, should be a central pillar of a socialist programme – a basic human right, an attack on intolerable poverty and exploitation, a means of creating socially useful jobs. It is a campaign that every member of the Party – from ordinary activists to MPs – should be able to support with confidence and conviction.

Recent Fabian Pamphlets

Tracts

| | | |
|--|--|-------|
| 484 Christopher Harvie | Against metropolis | £1.50 |
| 485 Bryan Gould, Shaun Stewart, John Mills, Austin Mitchell | Economic recovery: what Labour must do | £1.50 |
| 486 Nicholas Kaldor | The economic consequences of Mrs Thatcher | £1.50 |
| 487 David Donnison | Urban policies: a new approach | £1.00 |
| 488 Emma MacLennan, Chris Pond, Jill Sullivan | Low pay: Labour's response | £1.50 |
| 489 Roy Hattersley, Eric Heffer, Neil Kinnock, Peter Shore | Labour's choices | £0.90 |
| 490 David Downes | Law and order: theft of an issue | £1.50 |
| 491 David Blunkett, Geoff Green | Building from the bottom: the Sheffield experience | £1.50 |
| 492 Keith Ewing | The Conservatives, trade unions, and political funding | £1.50 |
| 493 G. Bernard Shaw | The Fabian Society: its early history (reprinted with a preface by Melvyn Bragg) | £1.50 |
| 494 Raymond Plant | Equality, markets and the State | £1.50 |
| 495 Bernard Crick | Socialist values and time | £1.50 |
| 496 Anthony Wright, John Stewart, Nicholas Deakin | Socialism and decentralisation | £1.50 |
| 497 Carl James | Occupational pensions: the failure of private welfare | £1.50 |
| 498 eds. Brian Abel-Smith & Peter Townsend | Social security: the real agenda | £1.50 |
| 499 Hugh O'Shaughnessy | Towards a democratic Central America | £1.50 |
| 500 Peter Townsend | Why are the many poor? | £1.50 |
| 501 Denis Healey | Labour and a world society | £1.50 |
| 502 Michael Mann | Socialism can survive: social change and the Labour Party | £1.50 |
| 503 Martin Linton | The Swedish road to socialism | £1.50 |
| 504 John Lloyd | Understanding the Miners' Strike | £2.00 |

Special Centenary Publication

| | |
|-------------------------------|-------|
| 100 Years of Fabian Socialism | £2.50 |
|-------------------------------|-------|

Books available from the Fabian Society

| | | |
|------------------------------|--|---|
| Patricia Pugh | Educate, Agitate, Organize – 100 years of Fabian Socialism (Methuen, 1984) | <i>cased</i> £19.50 |
| ed. R.H.S. Crossman | New Fabian Essays (Dent, 1970) | <i>cased</i> £1.75 |
| ed. Ben Pimlott | Fabian Essays in Socialist Thought (Gower, 1984) | <i>cased</i> £19.50 <i>paper</i> £8.50 |
| ed. Howard Glennerster | The Future of the Welfare State (Heinemann, 1983) | <i>paper</i> £5.95 |
| eds. M. Cannell & N. Citrine | Citrine's ABC of Chairmanship (NCLC, 1982) | <i>paper</i> £3.50 |
| J.P.M. Millar | The Labour College Movement | <i>cased</i> £5.50 |

Postage: books 50p per title (ABC of Chairmanship 30p), pamphlets postfree.

A New Housing Policy for Labour

This pamphlet has been written at the same time as the Labour Party comes forward with its own new housing policy statement "Better Homes for the Future". Both deal in part with Labour's response to the right of council tenants to buy the home they live in.

But there is a danger that the debate will be dominated by this single narrow issue. If so, it will take place on ground chosen by the Conservatives. In this pamphlet the attempt is made to place the issue in a much broader context.

Whether people rent or buy, the authors argue, poses no issue of principle for socialists. The central objective for Labour should be the widest possible extension of choice in housing – underpinned by an ambitious programme to achieve justice between the different forms of tenure in order to make choice a reality. These aims offer the basis for a Labour response to the changed housing conditions of the 1980s which is both principled and popular.

A major theme of the pamphlet is the need to develop an effective 'right to rent'. This demands a sustained programme of public housing investment which aims to make rented housing available on demand, backed by a legal framework guaranteeing a right to housing for all members of the community.

We need a commitment to real equality in housing, and an acceptance that the state of the nation's housing is a matter of public responsibility. However, a home is also something very personal, and it is important to approach it in a strongly libertarian spirit, seeking to advance individual rights in all tenures.

Finally, the pamphlet argues, genuine choices in housing cannot be achieved without radical reforms to the acutely inegalitarian and divisive system of housing finance. It sets out the objectives of reform and some immediate steps towards fairer arrangements, whilst recognising that comprehensive changes need to be considered within the wider context of taxation and social security reform.

Fabian Society

The Fabian Society exists to further education and research. Since 1884 it has enrolled thoughtful socialists who wish to discuss the essential questions of democratic socialism and relate them to practical plans for building socialism in a changing world. Beyond this the Society has no collective policy. It is affiliated to the Labour Party. Anyone who is not ineligible for membership of the Labour Party is eligible for full membership; others may become associate members. For membership and publications details, write to: John Willman, General Secretary, Fabian Society, 11 Dartmouth Street, London SW1H 9BN.

£1.50

