

COUNCIL HOUSING

What is Council Housing?

A strict definition of a council house is one that is **'built, owned, let, managed and maintained by an elected municipal authority'**.

How did councils first come to build homes?

As a response to fears for public health

London's growth was not matched by the infrastructure needed to deal with the huge amount of sewage that was contaminating drinking water. As a consequence, the cholera epidemic of 1848-9 killed over 14,000 victims.

The Liverpool Sanitary Act of 1842 was the first comprehensive health legislation passed in England following epidemics in 1849, 1854 and 1866. In June 1858 'The Great Stink' arising from the River Thames encouraged the speedy passage of the Metropolis Local Management Amendment Bill, which was passed into law in a record 18 days

Increased understanding and political awareness was leading to the clearance of slums, such as the *Old Nichol* in Shoreditch which was described in 1863 as *'one painful and monotonous round of vice, filth and poverty'*. Its death rates were twice the London average and one in four babies died before its first birthday.

In 1869 *'St Martin's Cottages'* - the first Council homes in Britain - were built in Vauxhall, Liverpool. They were tenements consisting of 146 flats and maisonettes which stood till 1977.

The **Housing of the Working Classes Act 1890** required at least 50% of housing demolished in clearance schemes to be replaced and in 1900 the

Boundary Estate in Shoreditch was built near the *Old Nichol*.

In 1900, the earlier Act was extended to give first the London County Council and later other local authorities some power to build the homes that were needed.

As late as 1945, housing was still the responsibility of the Minister of Health.

As a response to political pressure

In 1915, the **Glasgow Rent Strike** increased the pressure for reform. Notably led by women, it demanded homes fit for heroes. Demonstrations showed placards held by children reading "My Father Is Fighting in France. We Are Fighting the Huns at Home".

The Labour Government of 1924 lasted less than a year but its major achievement was the **Wheatley Housing Act 1924**. This increased the government subsidy from £6 to £9 per home for local authorities building municipal housing for rent to low paid workers. It also extended the time over which the subsidy was paid from 20 to 40 years.

It also committed to a long term building programme which aimed for 2.5 million council homes over 15 years. It brought together building unions and employers who agreed to expand the construction industry to meet the demand and it recognised the need to control the cost of materials. **Around 508,000 houses were built under this Act.**

Cost v. quality and standards

Concern for public health again played a key role when WWI Army recruiters noted with alarm the

poor physical health and condition of many urban recruits, summarised in November 1918 by the findings of the Tudor Walters Committee of the UK Parliament. The Tudor Walters Report recommended specific standards for the space and design of public housing.

These higher standards were part of the **Housing and Town Planning Act of 1919 (The Addison Act)** which outlined a crash programme aimed at building 500,000 homes within three years.

Unfortunately, this coincided with a tripling in house prices from £300 to £1,000 in three years and the programme was discontinued under the Government austerity regime known as the Geddes Axe. Sadly, only 213,800 homes were built.

The tension between high standards and the cost of public subsidy is at the heart of building council homes. The fate of the Addison Act demonstrates the difficulty of achieving both without economic growth and stable national finances.

What happened after World War II?

Minister of Health Nye Bevan planned a massive expansion of council housing to a new, higher standard. Although private house-building was sharply restricted, the housing drive was limited by a shortage of labour and materials, not helped by the Government being forced to limit imports and switch production to goods for export.

The **Housing Act 1949** enabled local authorities to acquire homes for improvement or conversion with 75% Exchequer grants. It also removed earlier regulations which limited them to providing housing only for working-class people. The aim was to allow local authorities to develop mixed estates of houses of more varied types and sizes, thereby attracting all income groups.

This was in direct opposition to "residualist" policies which see the role of council housing being purely to accommodate "the poor" - an argument that continues.

The Tories passed the **Housing Subsidies Act 1956** which restricted local authorities to clearing slums and rehousing their occupants (and also

WHY PARKER MORRIS MATTERS

In 1961, Sir Parker Morris drew up an influential report which became the Ministry of Housing's "*Design Bulletin 6 - Space in the Home*".

It provided practical guidance on the amounts and types of space needed for a decent home. By 1969, this was mandatory for all council housing until the Conservatives abolished it in the *Local Government, Planning and Land Act 1980* to reduce the cost of housing.

This issue has taken on new urgency since 2013 when Boris Johnson as the then-London Mayor permitted the conversion of disused commercial buildings into residential housing with almost automatic planning consent, irrespective of their size or amenity.

This meant that smaller homes could be created than the 37m² minimum national space standards for a 1-person, 1-bedroom home with a shower. (See **Intergenerational Foundation's** detailed report entitled "*Rabbit Hutch Homes*" tinyurl.com/y5fg9t4m)



introduced a premium to encourage councils to build high rise flats.)

The Labour governments of 1964–1970 were responsible for more development across the housing field than ever before.

Under Labour, the number of council homes built increased steadily, from 119,000 in 1964 to 133,000 in 1965 and to 142,000 in 1966, with hundreds of blocks of multi-storey flats (mostly built in the cities and larger towns) being among these.

As a result, the proportion of council housing rose from 42% to 50% of the total, thanks in large part to the **Housing Subsidies Act 1967** which fixed interest rates at 4% for councils borrowing to build homes.

The Right to Buy (RtB)

This changed under the Tories whose Housing Act 1980 introduced the Right to Buy scheme and by 1997 over 1,700,000 dwellings in the UK had been sold. It has been cited as the major factor in the drastic reduction in the amount of social housing in the UK, which fell from nearly 6.5 million units in 1979 to roughly 2 million units in 2017.

Crucially, Councils were not allowed to spend the receipts building replacement homes.

There was a corresponding 15% increase in home ownership, which rose from 55% of householders in 1979 to a peak of 71% in 2003, later declining to 63% in 2017 (this figure excludes Scotland, Wales and Northern Ireland).

As former council homes age and require not merely routine maintenance but major renewal, the tale unfolds of tenants who bought to save on rent but now do not have the financial means to meet an owner's commitments.

Already, many former council homes are owned not by their former tenants but have been traded on; no longer places to raise a family but properties with a market value. There can be little doubt that the private landlords who bought-up about one third of former RtB properties are the main winners in a gamble where the public purse effectively provided their stake-money. (See <https://www.theguardian.com/money/2013/jun/28/new-class-landlords-profiting-generation-rent>)

How are Labour Councils fighting back?

Around the country, Labour Councils have strived to keep building the council homes that their populations desperately need.

Because the Tories' Housing Subsidies Act restricted local authorities' powers, Labour Councils had long campaigned to be allowed to borrow the necessary funds to invest. (See box *What is an HRA?*)

In 2009, **Labour Housing Minister John Healey** began the process by which Local Authorities took on debt and borrowing caps. In 2018, after years of campaigning, the borrowing cap was lifted, *enabling councils to plan long-term for developing new homes.*

WHAT IS AN "HRA"?

A **Housing Revenue Account** (HRA) is an accounting convention required by the **Local Government and Housing Acts 1989 and 2003.**

Local authorities must record all income and expenditure in relation to their housing stock to prevent rent levels being subsidised by increases in Council Tax and rents being increased to keep Council Tax levels down.

In April 2019, inspired by Labour's 1945 election slogan, "*Let's Build the Houses - Quick!*", councillors from London, Oxford, Southampton, Manchester and Birmingham met at Islington Town Hall to devise ways to get genuinely affordable homes built.

From this, several major projects were developed – a full account can be found at <https://tinyurl.com/y2hb2dtq> entitled *Building Genuinely Affordable Homes.*

Former Labour Shadow Secretary of State, John Healey, also published "*The Best of Labour in Power*" <https://tinyurl.com/y4sbcyko> which featured case-studies of good work councils were doing.

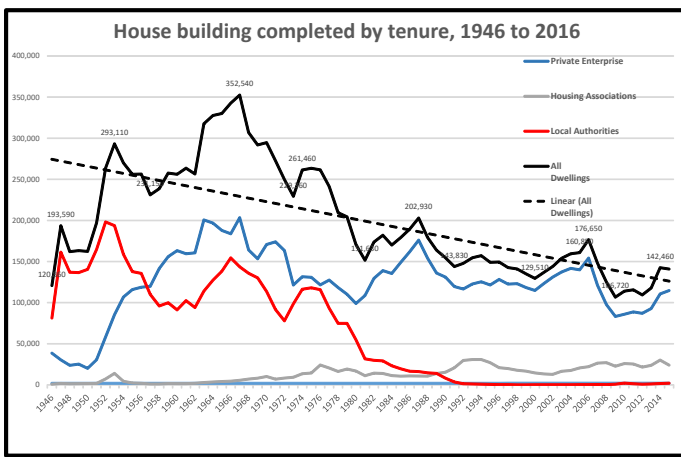
This is still a very constrained environment to work in but Labour councils are showing what can be done - and could be done better under a Labour Government. Plans are being made under the banner "Building Council Homes Project (see box overleaf).

What does LHG believe?

- A key role of Local Government is to meet the needs of its population systematically, providing wide community benefit.
- Council housing is the most efficient and effective tool for achieving this by offering affordable, high quality housing and providing a yard-stick for the private renting sector in terms of build quality, space standards, amenities and rent charged.
- Democratic accountability and tenant involvement are important features.
- Central Government's role should be to provide a framework of laws and long-term

funding arrangements capable of supporting the demand.

- Shortages of skills, labour and materials need to be assessed and tackled, where necessary by engaging directly with industry at local and national levels.
- The best way to end any stigma previously attached to council housing is by providing high quality, appropriate and attractive homes to meet local need.
- Building programmes should not be restricted solely to housing those least able to afford housing but should seek to create or re-balance functioning communities.



- Tax and benefit regimes should encourage rather than deter the development of socially-desirable projects.
- Public servants working with academics should be encouraged to provide innovative and soundly-based policies.

Conclusion

The building of new homes has been in freefall since the 1960s, but the graph above shows how that has been largely due to the bar on building council homes and that the private sector has only fitfully raised its game.

This argues strongly for more council homes as the way to increase overall numbers. Council homes offer a relatively straightforward way to build new homes at a controllable cost and verifiable quality.

This should prove to be an indispensable element of a Labour Government's plans for very significant growth in the number of affordable homes for rent.

COUNCIL HOME BUILDING PROJECT

In September 2020, James Murray MP launched the **Council Homebuilding for the 21st Century** in partnership with Labour Housing Group.

Its Steering Group has brought together Labour representatives and housing experts from across the country with a track record in council homebuilding.

It will report on councils' current achievements, identify what limits their ability to build more homes for social rent and set out what changes would enable them to build the homes we need in the 21st Century.

WHAT ARE LABOUR'S POLICIES?

Labour's 2019 General Election manifesto pledged to:-

- Build an average of at least 100,000 council homes each year.
- Establish a new English Sovereign Land Trust, with powers to buy land more cheaply for low-cost housing
- End the Right to Buy and the forced conversion of social rented homes to so-called 'affordable rent'
- Set a zero-carbon homes standard for all new homes and upgrade millions of existing homes to make them energy efficient

More briefings can be found at

<https://tinyurl.com/LHGBriefings>.

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The Labour Housing Group is a lobbying group that is affiliated to the Labour Party and dedicated to the development of a socialist housing policy.

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