



Housing policy and the social conscience

By Michael Jimack

Everyone accepts that we have a housing problem, one that is especially severe in the south of the country.

The causes are well known: shortage of supply, the reduction in social housing, the lack of truly affordable housing, high rents in the private sector and the high cost of land, especially land with planning consent.

This has resulted in a rise in rough sleepers, a record number of families in b&b accommodation, thousands of people on waiting lists for social housing and an increase in evictions from the private rented sector – with unaffordable rent increases and the cap on Housing Benefit, especially in London, mainly to blame.

An affordable roof over one's head is a basic right in a civilised society and, as one of the more economically prosperous countries, it is shameful that successive governments have not really addressed the problem. In fact, they have made it worse.

ROOTS OF THE PROBLEM

Margaret Thatcher's *Right to Buy* drastically depleted the social housing stock, and the result has been a massive loss of 1.7 million social housing units. What remained was, to a large extent, hived off to housing associations that are dependent on government subsidies. Even they have had to sell off some of their stock and, to make matters worse, the cap on Housing Benefit has meant that many social housing projects are no longer viable in London and parts of the South East.

House prices have risen year on year to such an extent that, for much of the country, a house is no longer just a home, a place to live, but an investment and a potential capital gain. So, we now have some new divisions not necessarily defined by class; those fortunate enough to own their own house – mortgage-free in the case of many older house-owners – and the rest living in rented accommodation. They comprise both younger people – many on good salaries in the south – who cannot afford to buy and, of course, the poor of all age groups.

The housing policies of successive governments have been pathetic; just tinkering at the edges to give the impression they are doing something and often making the situation worse – for example, making some mortgages more easily available has simply had the effect of raising house prices.

The large house-building companies have no sense of social responsibility and are not to be trusted to solve the problem of providing decent affordable housing for all groups in society.

Not only have they (with the help of clever lawyers) avoided building their full quota of so-called affordable housing; they have sat on land with planning consent just waiting for it to increase in value, while, at the same time, paying their chief executives millions.

WHAT COULD BE DONE?

So, if we can't rely solely on the large house-building companies, how do we solve this problem?

Sadly, the kind of action needed is of a type that no government, at least since the end of WW2, has been prepared to contemplate – one which implies the state taking a much more interventionist approach. This, of course, would be anathema, not only to Conservatives but to many on the right

wing of the Labour Party. But this is not to adopt socialist policies for any dogmatic reason – just pragmatism, adopting a policy that will actually work and achieve the desired goal.

We need a massive building programme of social housing for rent and low-cost housing for sale. In addition to the housing associations, local authorities will once again be able to borrow, and access funds hitherto denied them.

When it comes to really low-cost housing for sale, there is a problem. The large house-building companies are the least innovative and most stick-in-the-mud profession there is, always making the excuse that they build what the customer wants. Strange that, because in other areas it is the manufacturer who often leads in design and the public acquires the taste. It is not as if the technology doesn't exist. We need to build cheaply and quickly, which means factory-built units that can be assembled on site and built to a system that can easily be expanded at a later date as the family grows. Of course, such high-quality systems are currently expensive but, with economies of scale, the price should come down.

The next challenge is the availability and price of land. House-builders who hold on to land with planning permission should be given an ultimatum – build within a specified period of time or face compulsory purchase at the original valuation.

New towns are a good idea because poorer quality agricultural land not situated near desirable places to live is relatively cheap, but they must be built with good infrastructure and communications. This implies setting up new-town development corporations with considerable powers.

There will be those who will protest about the development of virgin land, but land that has few trees, is relatively featureless and has been monocultured is not always worth preserving.

The next challenge is the housing of people in or near the big cities. If essential workers are not to have long and expensive commutes, they must not be priced out of the cities; this inevitably means high rise and, for some, subsidised solutions.

Even before the disastrous fire in Kensington where warnings and building regulations were ignored, high rise social housing had a bad name. But high rise need not be badly constructed or maintained – one only has to look at the luxury end of the market – so it comes down to the way these buildings are financed and then managed.

THINKING THE UNTHINKABLE

I am not going to pretend there is an easy solution to this problem, but I do know one thing; local authorities should be responsible for all high-rise social housing in their area and, in the present climate where local authority essential services are being cut to the bone, the way these authorities are currently financed is untenable and needs a drastic rethink – something no political party has the guts to do. A more equitable way of funding needs to be devised and implemented, one that takes into account people's income rather than the notional value of their house.

The medium-term aim should be to eliminate the social housing waiting list, consigning it to the dustbin of history, and to stabilise house prices.

As a first step, a team of designers, architects and financial experts should be set up to determine good practice and the most economic building methods. Local authorities should once again be able to employ direct labour, and a government-backed company should be established to build houses in competition with the large house-building companies. All profits would be ploughed back, although there could be an ethical bond issue to assist start-up to be paid back after a specified period of time at a fixed rate of interest. A skilled labour force should be recruited, from abroad if they cannot be found here, and apprenticeship schemes established.

To those who say, 'it can't be done', I say, 'Where there is a will, there is a way'; and if this means raising taxes for the better off, or getting more tax out of the multi-nationals, I say so be it. We are one of the richest countries in the world – if we cannot provide decent accommodation for our citizens at a price they can afford, then we have no social conscience.