Part One: the History of Housing Policy

I chose to research the history of state assisted housing because, when I first started work in the Housing Division, I was dealing with then current Housing Acts, but knew nothing of previous systems of State assistance. So when I made suggestions about solving a particular current problem, the head of the Housing Division, who was about to retire after long service, would tell me that it had been tried before, under a particular Act, which he specified, but had failed because of reasons which he again specified. I had never heard of the Acts which he quoted — e.g. the "Addison Act" of 1919, the "Chamberlain Act" of 1923, and even what I later found out to be the important "Wheatley Act" of 1924.

Nor was I aware of the reports of the Scottish Housing Advisory Committee in 1944, which set out the basis for post-war housing programmes, such as the return to "General Needs" subsidies in the Housing (Financial Provisions) (Scotland) Act, 1946, and the assistance for improvement of existing houses in an Act in 1949. The latter's deletion of all references to "the working classes" in previous Housing Acts gave local authorities, in effect, pre-eminence in housing provision. Accordingly, in only thirty years Scottish housing policy had changed from virtually complete reliance on private enterprise to an almost equally complete reliance on the public sector. However, as so often in major organisations, public and private, there was no corporate memory. Knowledge about previous public policies and systems of assistance was contained only in my boss's head, and would disappear when he retired.

Accordingly, my research paper on Housing Policy in Scotland, 1919 — 1964 dealt with trends of policy on housing subsidies, council rents and assistance to private building. My conclusion was
that policies over half a century varied more in response to immediate expediency than to long-term, consistent principle. Subsidies had been attached to houses, rather than families, so that, in the absence of a link between allocation policy and financial need, the beneficiaries of subsidy were not necessarily those whose financial need was greatest.

Moreover, the failure to attract private enterprise back into building houses for letting meant that public sector housing became synonymous both with subsidised housing and with rented housing. The result was that the rents of council houses became a political issue. There were long drawn-out arguments between central and local government (particularly Glasgow, Dunbarton County and Dundee), culminating with public inquiries, chaired by Q.C.s, being held in 1955, 1956 and 1957 respectively. In each case central government successfully argued that local authority rents were far too low. The point was that income from rents had to be enough, over the longer term, to enable councils to build more houses.

Nothing in these Housing Acts required council houses to be let, so in theory a council could build for sale. Glasgow had built some houses for sale before World War Two, and at least one local authority built a small scheme of houses specifically for sale after that War. However, there was no general move by local authorities to compete with private builders in this way. It was certainly not envisaged that local authorities should sell off large numbers of their houses. I note and welcome the Bill's proposal to abolish the right to buy. This is crucial. Once bought, the new owners are free to sell the houses at current market value. The houses will no longer be "affordable", a vague term, commonly used in the media, which immediately prompts the question "affordable by whom". I am glad to note that the Housing Bill refers rather to "social housing" and "social landlords", which makes clear that the Bill is about houses built by non-profit organisations, such as local authorities and housing associations, for letting at less than current private market rents. In effect, the Bill harks back to council housing as envisaged and/or enabled in previous Housing Acts since Wheatley.

Abolition of right to buy links with building for "General Needs" at less than commercial rents to prompt questions about what are these "needs", and how did local authorities choose which of many applicants should benefit from the lower rents? Hence my decision to research also systems of allocation of Council houses in my paper on Allocation of Council Houses.

I am sending this note to you because I suspect that the inevitable turnover of staff, since my research paper was published, means that there will be no corporate memory of it in organisations that you may be contacting. Yet it is surely important that we should try to learn from the past. So I hope that the above brief summary may help your Committee to put the proposals in the current Housing Bill into their historic content, as successors to previous visions and policies for state assistance to, and/or regulation of, public sector housing.

Part Two: Allocation of Social Housing

In 1944 the Scottish Housing Advisory Committee estimated that 500,000 houses were needed to meet accumulated arrears of housing needs in Scotland. By 1962, almost that number had been built but it was still officially estimated that another 300,000 were needed over the following ten years. The supply of good houses had consistently lagged behind potential demand, and that potential demand had been made effective because of the policy that "no one in genuine need of a house should be asked to pay more rent than he can reasonably afford". (The then Secretary of State for Scotland, Mr J.S. Maclay, speaking during the Second Reading of the Housing and Town Development (Scotland) Bill on 18 February 1957).

Accordingly, with no price mechanism to regulate competing claimants, what principles should govern decisions on allocating tenancies of a limited supply of houses, and how much weight should be attached to each principle? Who gets priority, given that the shortage is so acute, and the waiting lists then so long (as indeed they are now in 2014) that allocation policy may decide not
just in what order families will be housed, but which of them might get a subsidised house at all? Applicants were entitled to be satisfied that decisions were being taken fairly, and for good reasons.

Moreover, decisions on allocation not only shape the living conditions of individual families, but can also affect the economy. For example, do allocation policies limit the scope for expansion of industry? Do they allow reasonable freedom of movement to industrial workers?

Local authorities alone could supply the information required, because they were their own masters in allocating their houses. Despite the millions of pounds voted by Parliament, or charged to the rates for council housing each year, no government department could direct a local authority to allocate a house to a particular family, because no Minister could be held responsible for decisions taken by local authorities within their statutory powers.

Accordingly, I asked the various housing authorities what their policies were. Information was obtained in two stages – first by a standard questionnaire, and then by correspondence and discussions with the responsible housing officials on specific points that arose from the answers to the questionnaire, or from supplementary material, chiefly in the form of points schemes, which they supplied.

There were 231 Scottish housing authorities: cities, large burghs, small burghs, and counties. To contact all of them would have been impractical, so only a sample of the small burghs was taken, and the predominantly rural and Highland counties were omitted, because their housing problems were smaller in scale and less acute.

In 1962 Scottish local authorities completed nearly 19,000 new houses, but let more than double that number because of vacancies arising in existing houses. As more houses were built each year, the proportion of these "re-lets" would keep on rising. So applicants for council houses had to realise that when their turn came it was a better than even chance that they would be offered a relet, not a new house. There were, of course, great differences in the standard of "second-hand" houses, but the advantage did not always lie with the newest. People were refusing offers of tenancy in some recently built schemes because they were prepared to wait years longer for a relet in popular groups of houses, often having been built in the 1920s, but with their own front doors, gardens, and "no roughs". These "cottage-type" houses were in great demand.

This parallels what happened when "right to buy" was introduced. Tenants of Council houses of popular types, and in popular areas, especially in the cities, seized the opportunity to buy, while tenants in flats in "system built" multi-storey blocks did not, particularly in designs of the "deck-access" type, where teenagers ran along the decks, disturbing older tenants. Without resident caretakers, vandalism was rampant, and lifts broke down. So flats in many multi-storey blocks became difficult to let. This imbalanced Housing Revenue accounts, because rent income from older houses with relatively low remaining loan charges was being lost, but there was decreasing rent income and very heavy out-goings in the high blocks. This made it increasingly difficult for local authorities to finance building more houses. Accordingly, "right to buy" contributed, at least in part over the years, to the current shortage of houses available to rent at less than current commercial market rates. (I hope this author is not regarded as making a political argument: I am simply pointing to what seems to be the economic and market facts).

As indicated above, therefore, I believe the abolition of "right to buy" is essential. Indeed I would go further, and recommend that each new tenant should sign a document accepting that there will be no right to buy, and recognising that the tenancy itself is not a right, but in effect a privilege, after competition with many other applicants, to obtain occupation of a house with a rent considerably lower than in the commercial market.

I recommend this because, when "right to buy" was introduced, many buyers believed that they were entitled to buy at a discounted price because they had been paying rent for many years.
They did not realise that the “rent” they had been paying in those days included also the council’s “domestic rates”. (This was the predecessor of council tax until it was ended by the Abolition of Domestic Rates (Scotland) Act, 1987. Since then Council Tax, and water and sewerage charges have been billed separately). So only part of their payments had been rent, and even that part was far less than the Council needed to cover maintenance, repairs and the repayment, with interest, of the capital cost of the house. It had gone nowhere near financing the building of replacement houses.

In short, for new houses of any kind to be built, each development must, in the private sector, be commercially viable and, in the public sector, viable in the sense that income has to be enough to finance, on a non-profit basis, the building of replacements at the end of the expected lifetime of the houses.

It might also be argued that it would be helpful to make clear that the tenancy is not necessarily for life, and is not inheritable, but is for a period of years to be determined by the local authority in the light of changes in the family situation and the needs of other applicants. For example, while it seems reasonable, as the Bill provides, that when the original tenant dies, the widow, widower, surviving civil partner or carer could be assigned the tenancy, the local authority should have flexibility to specify that the tenancy is for a period of years related to the time when any children of the family would reach an age when they could reasonably be expected to leave home and set up for themselves. These children would then have to compete with other applicants on the waiting list, and should not expect simply to inherit their parents’ secure tenancy.

The local authority might also have flexibility to offer a surviving original tenant a smaller house, so that the original family sized house could be made available to an applicant family who needed the bigger house. This may sound hard, because people become accustomed to living in a particular house, but it would give the local authority the ability to measure – sympathetically of course, and with regard to the existing tenant’s reasonable needs – that tenant’s expectations against the needs, in a time of considerable housing shortage, of other families on the waiting list.

My survey showed that many authorities accepted applications from people whose need was not urgent, but who saw a council tenancy is the only way they would ever get a decent house at a reasonable rent. Many authorities also failed to keep their waiting lists up to date by regular revision. This made it difficult to arrive at an accurate assessment of housing needs, or even housing demand. So your Committee may wish to ask Scottish local authorities on what basis they are assessing housing needs in their area.

The basis of any allocation scheme must be an assessment of relative priorities. However, how does one judge between the needs of different families, of different sizes and compositions, some of whom might be homeless, others overcrowded, others living in insanitary slums? Many authorities in my survey adopted schemes loosely referred to as “points schemes”, but many did not award points at all, while others awarded points for only some of the many categories of need. Almost none were alike. It is interesting, however, that the categories of need listed by many of the authorities surveyed resemble fairly closely the categories listed in the Housing Bill.

Of the two main types, a “straight” points scheme put all applicants on one list, with points awarded according to a scale which measured all types and degrees of need, along with other factors – such as length of residence – which the local authority deemed relevant. However, many authorities awarded so many points for length of residence, or of marriage, or of rate paying – and in some cases all three, that it was possible for the points earned for these reasons to outweigh points for valid and urgent housing needs such as overcrowding or ill-health. Indeed in one small burgh it was possible to accumulate 10 points solely for having lived, and paid rates in the town for 20 years, while a maximum of only three points was obtainable for even the severest degree of overcrowding. This was particularly common in smaller communities where local ties were strong and people from not very distant districts were regarded as strangers. The Scottish Housing Advisory Committee had for many years recommended that employment should be accepted as
equivalent to residence, with the same minimum period — say a year. However, my survey showed that this had been ignored.

A "group plus points" scheme accepted that the types of need were so different in kind that it was virtually impossible to compare them on any objective, arithmetical basis. So the authority allocated, to each group or type of housing need, a proportion of the houses becoming available annually, with each applicant placed in his/her own group by a scale of points peculiar to that group. However, it was not clear how authorities arrived at decisions about the relative gravity of the various types of need, as measured by the proportion of houses allocated to them. Particularly in the absence of any detailed survey of housing conditions in the area, how could they be sure that their priorities were correct?

A substantial minority of local authorities, including some of the largest, did not award points at all. In these cases it was not clear how individual allocations were decided, except for the few councils who just allocated in turn according to the date the application was lodged. This system was easily understood by the applicants, but it is difficult to think of any other arguments in its favour as a means of dispensing social justice in areas of housing shortage. In rural areas and in some of the smaller boroughs, decisions were taken on the basis of personal knowledge of the applicants and of their housing conditions, by a small sub-committee for an electoral district or even simply by the councillor for that district. In these areas canvassing of councillors was rife, and no matter how well and honestly they may have tried to do the job there were suspicions that those who shouted the loudest got the houses.

A surprisingly large number — more than half of the authorities surveyed — did not print their rules of allocation and issue them to applicants. Obviously, it would be preferable now, as it would have been then, if all authorities published their rules or point schemes in a simple pamphlet. Nothing was more calculated to infuriate or discourage applicants than suspicions that their applications were not being dealt with fairly. Justice must not only be done: it must be seen to be done.

There were provisions for some "Special Groups". One such was ex-servicemen, for whom residential qualifications presented difficulties. So a circular suggested to local authorities that where an ex-serviceman had found employment in an area, or had family connections with it, his application for a house should be dealt with on the principle that his family should be placed at no disadvantage by his absence on service. In the light of ex-service men currently returning from areas such as Afghanistan, your Committee may wish to consider recommending some similar principle.

Another "Special Group" was Key Workers. Most authorities in my survey said they gave special consideration to a key worker, but this was defined as a person who was sponsored by the Board of Trade as being essential to the establishment of a new industry or expansion of an existing one. This did not help ordinary workers who simply wanted to move to an area where they saw better employment prospects. It also did nothing to help recruitment of people such as teachers or nurses who might be badly needed in some areas.

Housing need is not necessarily synonymous with financial need, but most allocation schemes assumed that it was. Only four of the authorities surveyed said that they operated any kind of financial test on applicants.

Transfers of tenancy from one council house to another, within the same authority, usually operated quite extensively, but the attitude of local authorities to mutually agreed exchanges with people living outside the local authority's own boundary varied widely. Indeed one did not permit any exchanges whatsoever with tenants of other local authorities. There was often considerable local opposition to such exchanges. People on the waiting list resented the allocation of a house to a newcomer, even though no one on the waiting list had lost the chance of a house. All they could see was an outsider getting a house ahead of them, and this feeling, although illogical, was strong and a real barrier to large-scale operation of "external" exchanges. Feelings ran highest where
there was great competition locally for the popular "cottage" types of house described above, or end-terrace houses with space for a garage.

I hope that the above description of allocation policies (or lack of them) emerging from my survey will be of help to your Committee in considering the provisions in the Housing Bill about housing need, regulation of allocation, assignation of tenancies, and secure tenancies. I would simply emphasise the importance of consulting widely, as the Bill proposes, publicising the selected allocation policies as widely as possible in plain English, and ensuring, so far as possible, that the decisions on allocations are not only fair, but seen to be fair, and are applied and regulated consistently, on a national basis, so far as is reasonable and practicable, given the different scale and urgency of housing need in each area.