

Section 1 Contemporary issues

Chapter 3

How the purpose of social housing has changed and is changing

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Commentators on housing policy agree that one event above all others marked – or indeed stained – the housing scene during 2017: the Grenfell Tower fire in Kensington and Chelsea. As well as being a devastating tragedy on an unprecedented scale, it was very quickly seen as symbolic of the neglect of social housing and its residents, leading to calls for it to form a turning point in policy, in official attitudes and in public perceptions of the sector.

Grenfell has been instrumental in sparking five official and non-official reviews of social housing.¹ A promised government green paper will offer a ‘fundamental rethink’ of the sector, following a series of ministerial meetings with residents’ groups and other interested parties. The Labour Party has launched its own review. CIH has a ‘Rethinking social housing’ project; a group of large housing associations has established a commission on ‘the future shape of the sector’ and Shelter also has a commission on ‘the state of social housing in modern Britain’.

All these are due to report after this edition of the *Review* appears. This chapter aims to contribute to the debate by taking a long view: looking at how the role of social housing has developed over the past 50 years, taking as a benchmark that other memorable tower-block disaster, at Ronan Point in Newham in 1968. Although it caused far fewer deaths than Grenfell (four against 71), it also led to self-examination about the quality and management of social housing and reinforced the move away from high-rise building. We also examine how social housing’s role is diverging across the UK and internationally. We look briefly at how this relates to the ways in which social housing is financed and who is living in the sector. Finally, we offer some lessons and pointers towards social housing’s future role.

What has been the role of social housing and how has it changed?

What role should social housing play in the wider housing system and in society as a whole? This question has been asked many times over the past 50 years, drawing conflicting responses. Broadly speaking, four different answers have been put forward. Obviously opponents of state intervention may say ‘none’, but in practice all developed and many developing countries have social housing in some form, with its different roles characterised as:²

- An ‘ambulance service’: a role narrowly limited to helping those in most acute need, normally for short periods of time and often with restrictions (e.g. income limits).
- A ‘safety net’: offering broader, long-term assistance to those in lower income groups unable to afford market housing, and to meet other needs such as homelessness.
- A ‘wider affordability’ role: available to a range of income groups (even, possibly, excluding the very poorest), competing with private housing, encouraging higher standards and curbing excessive growth in prices.

These terms are used as the basis for this chapter’s analysis and discussion. Underlying all of them is a key question: should tenancies be a ‘way station’ or a ‘destination’ for low-income households? For example, proponents of the ambulance service advocate fixed tenancy terms of short duration, whereas for those favouring a wider affordability approach the length of tenancy is up to the tenant. Britain’s ‘safety net’ model is caught between these opposing views, as its history shows.

Council housing’s zenith: 1968-1979

Fifty years ago social housing was in many respects approaching its zenith. In 1968 council housebuilding was at its second highest level ever, contributing more than 40 per cent of the record 425,000 homes completed UK-wide, needed in part to deal with the aftermath of slum clearance. By 1971 councils housed almost one in three UK households and would do so until the early 1980s. Owner-occupation was also growing, but fewer than one in five households then rented privately and the number would continue to fall for two decades.

Council housing was in good shape financially. Much of the older stock was debt-free, which could potentially have allowed rents to be reduced or used to subsidise investment in the existing stock or in new building.³ Two-thirds of working-age social renters were in full-time jobs. Council housing’s strong position and broad tenant base could have been a springboard for further expansion to give it the ‘wider affordability’ role that social housing was developing elsewhere in Northern Europe.

But there were also powerful negative forces. Ronan Point catalysed a debate about the desirability of system building and large, mono-tenure estates. By the late 1960s, councils had started to cut back on new contracts; in 1976 funding was cut in response to demands from the IMF, and council housebuilding began three decades of decline. Already some housing was 'difficult to let' and the term 'sink estates' first came into use.⁴ Outside the southern half of England, council housing was often concentrated in areas of economic decline: Glasgow, for example, would demolish over 20,000 council flats in the 1980s and 1990s.⁵

Housing benefit had its origins in the rent rebates and allowances introduced in the early 1970s and had a mixed effect on the social sector: it made it more accessible to people in low-paid jobs but also helped refocus it on lower-income households. Its chaotic introduction – 'the biggest administrative fiasco in the history of the welfare state' according to *The Times*⁶ – would presage future difficulties when the scheme grew to a size that none of those promoting it could have foreseen.⁷

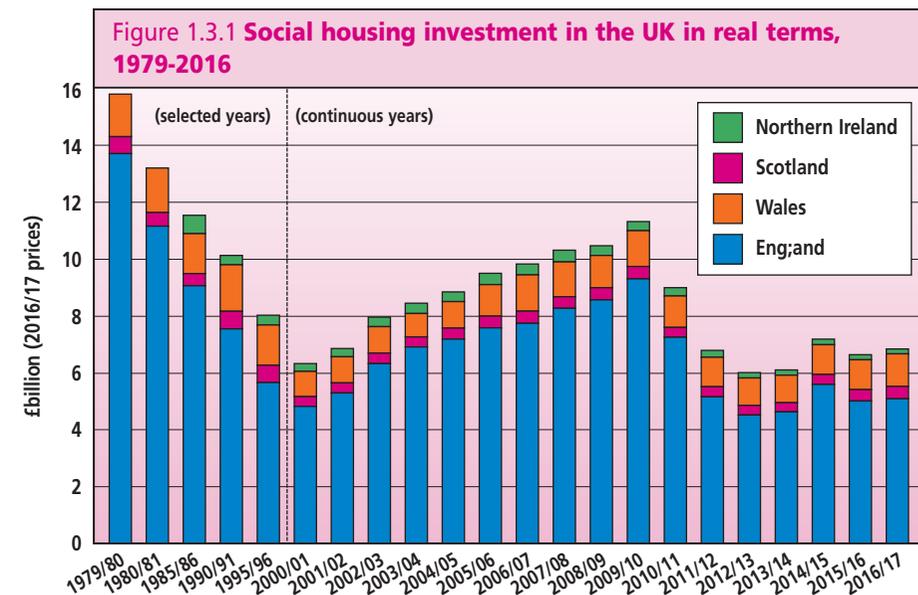
Slum clearance had provided the tenants and often the land for new council housing. While England still had 1.8 million unfit dwellings, a 1968 white paper heralded a radical switch in policy: older housing was now seen as ripe for renovation by a new generation of homeowners. Political recognition of the importance of homeownership had been growing since the 1960s. Labour's 1965 white paper already saw building for owner-occupation as 'normal' while new council housebuilding should be 'exceptional'. Then its comprehensive 1977 green paper cemented the focus on homeownership, with a continued but narrower, 'safety net' role for the social sector.

Do we need council houses? 1979-1997

The green paper's vision never materialised because the 1979 government brought further massive change, although not without prior debate. Peter Walker, a former housing minister, urged the Tories to give away council houses to longstanding tenants, not dissimilar to a 1975 proposal by Frank Field, not then a Labour MP, in his pamphlet *Do we need council houses?* Margaret Thatcher was initially wary of

sales, asking 'What will they say on my Wates estates?'⁸ But it was her right to buy (RTB) which rapidly fuelled the growth of homeownership at the cost of social housing. In the decade before 1979, councils had added 700,000 homes to their stock; in the decade afterwards, they lost 900,000. RTB was a triple whammy for the sector. It siphoned off into owner-occupation both its better-off tenants and its better quality homes; and little of the £54 billion eventually accumulated from sales (see Compendium Table 60) was used to replace the homes sold. Indeed, a large proportion of receipts simply offset new government housing investment, reducing its cost to the Treasury.

Instead, central government invested in the renovation of mainly owner-occupied older housing then – later – in housing association new build. The fall in social housing investment across Great Britain is shown by the *Review's* historic figures, in today's prices, in Figure 1.3.1.



Source: Compendium Table 57b.

Note: Shows gross public investment at constant (2016/17) prices, excluding private finance; data for Northern Ireland not available for 1979/80-1980/81.

Housing associations' access to private finance, formalised in 1988, was to lead to significant growth: the (then) Housing Corporation's investment reached £1 billion for the first time in 1990/91 and associations built more than 20,000 new homes; in 1995 their building peaked across the UK at almost 39,000 units. The first stock transfer, by Chiltern District Council in 1988, would eventually lead to 1.3 million council dwellings transferring to associations in England. Indeed, arguably stock transfer had as great an effect on housing associations as new build, soon accounting for half the sector's stocks in both England and Scotland.

There is a misconception that the Thatcher governments stopped council housebuilding, but in fact it was not until 1993 that it fell below 5,000 annually across the UK, a figure never again exceeded despite a recent modest revival in England and more especially in Scotland. However, while association finances were liberated, from 1989 council housing had to accept a 'redistributive' subsidy system whose effect was to require authorities with low debt to cross-subsidy those with high debt, saving the government money and providing councils with a further incentive to transfer stock.

Declining stock, the effects of RTB and the changing profile of those allocated new tenancies (especially as the 1977 homelessness legislation, covering England, Wales and Scotland, and by 1989 Northern Ireland, began to take effect) all contributed to a marked change in who lived in social housing. During the 1980s and 1990s it was increasingly directed at solving urgent housing needs. Indeed, some welcomed the 'residualisation' of the sector: Malcolm Rifkind, then Scottish housing minister, said of tenants unwilling to buy their council homes:⁹

Indifference to the new climate of success, fecklessness, and sheer hostility to change effectively consigns this group of people to the fate of continuing lower living standards and a poorer quality of life than they could otherwise enjoy... Any notion that other citizens, as taxpayers, should be called upon to mount rescue operations in these circumstances would not only be economically debilitating, but also morally wrong.

A decent home for all? 1997-2007

After its early 1990s boom, spending cuts started to reduce housing association output, which reached a new low in 2002-03. From 1997 New Labour focussed its early attention on the poor state of council housing, which had a backlog of almost £20 billion of disrepair. A freshly elected Tony Blair, visiting Southwark's Aylesbury estate, spoke about an 'underclass...cut off from society's mainstream', reviving the 'sink estates' narrative which then began to be used freely in the media.¹⁰ The April 2000 green paper launched a ten-year programme to achieve a new Decent Homes Standard, in part via a mechanism – arm's length management organisations (ALMOs) – which required councils to put housing management outside their direct control (the programme came close to achieving its target, as did similar ones in Scotland and Wales). Labour's regeneration initiatives (New Deal for Communities and, in response to low housing demand in the North and Midlands, the Housing Market Renewal programme) often involved remodelling of social housing estates. Major repairs allowances for council housing, introduced in 2001 in England and 2004 in Wales, meant many councils again received 'positive' housing subsidy from the Treasury.

Investment was accompanied by measures giving tenants more choice and creating a 'social market': retaining below-market rents but using pricing structures to register consumer preferences.¹¹ 'Rent convergence' aimed to restructure rents so as to better reflect the differences in housing quality offered. The green paper had even considered a fixed-rate housing allowance, never pursued, in which recipients would be able to keep the difference if they found accommodation at rents below the fixed rate. Choice-based lettings aimed to empower new customers. Higher service standards were promoted via performance targets and tests of 'Best Value'. The 2007 Cave Review *Every Tenant Matters* led to more rigorous regulation, more focussed on tenants' needs.

Did these measures rebuild confidence in social housing and lead to greater tenant satisfaction? While there were many local success stories, underlying attitudes remained stubbornly resistant to change. *The Survey of English Housing* in 2008 showed resident satisfaction in social housing still running behind

homeownership and even private renting.¹² Nevertheless, social housing waiting lists grew every year from 1998 onwards.

As well as the beginnings of divergence in policy across the UK as devolution took place (see below), this period saw a new bout of reflection on social housing's purpose. There were again calls for it to be abolished.¹³ More significantly, the Smith Institute's *Rethinking Social Housing* in 2006 argued that its role should be more restricted and short-term (i.e. become an 'ambulance service'), to move away from the 'dependency culture' which it had allegedly created. Social housing was 'part of the problem, not the solution' creating places 'where welfare is a way of life'; there should be no more offers of 'a tenancy for life'.¹⁴

In sharp contrast, many tenant-based groups were opposed to what they saw as market-driven reforms such as stock transfer and ALMOs. Tenants successfully campaigned against transfers in Birmingham, Camden, Edinburgh and elsewhere. Defend Council Housing called for councils to be able to retain their housing stock and still receive adequate resources to improve it.

There was also plenty of space in the middle ground. In 2000, the IPPR's *Housing United* argued that the narrow focus of social housing on the poorest should change: it should be rebranded as 'community housing', meet more diverse needs and aim to create mixed communities (i.e. move towards a 'wider affordability' role).¹⁵ Both Demos¹⁶ and JRF¹⁷ produced a range of reports on the potential of mixed communities. Housing associations were encouraged to diversify their output into low-cost homeownership and intermediate and market renting.

The government commissioned an overview of social housing by John Hills, published in 2007. His report *Ends and Means* also saw diversity as the answer, with social housing responding to varied local housing markets, offering new options to tenants and potential tenants, embracing social mobility and positively creating mixed communities in existing estates not just in new ones.¹⁸ In many respects it reflected New Labour approaches to tackling social exclusion, in which a range of government initiatives would combine to reduce inequality and improve life chances for those on low incomes and in deprived neighbourhoods.

Homes for the future? 2007-10

Eventually, the Labour government began to increase investment in new build, because supply was falling well behind demand, leading (for example) to a sharp peak in homelessness across Britain in 2003. Kate Barker's review of housing supply in 2004 had called for more new social housing. Yvette Cooper's 2007 green paper, *Homes for the Future*, set a target of delivering three million new homes by 2020 and led to three years of higher social housing investment.

Unfortunately, of course, it did not anticipate the global financial crisis (GFC) which caused a nosedive in private sector output, although initially put a premium on public sector investment to help reboot the economy. Longstanding moves to reform council housing finance also took final shape – in part with the aim of allowing councils to start housebuilding too – although implementation was delayed by the 2010 election. Output of affordable housing (broadly defined) climbed back to over 50,000 units per year.

Laying the foundations? 2010-2018

The coalition and then Tory governments from 2010 brought a massive shift in focus away from social housing investment, towards support for the private sector. In part, this resulted from the new 'austerity' in the public finances. But the ideas of right-leaning think tanks such as Policy Exchange and Localis were beginning to have a marked impact on policy.¹⁹ Reinvigorating RTB, selling off higher-value stock, ending long-term tenancies, moving rents towards market levels, making higher-income tenants 'pay-to-stay' in their homes, culling waiting lists and reducing homelessness entitlements were all measures advocated by them and variously taken up by government. Although not actually calling for the abolition of a sector which they blamed for 'reducing employment and increasing poverty' among tenants, these reports sought to reduce its role to an 'ambulance service'.

Background circumstances required a more cautious approach by government, however. Its 2011 policy paper in England, *Laying the foundations*, was a mixed bag. Since the early 2000s, owner-occupation had been falling continuously and the PRS growing (see Contemporary Issues Chapter 1). The housing market was slow to recover from the GFC. Housing need had increased among working as well as

non-working households, as incomes failed to keep pace with housing costs. As well as an unprecedented range of initiatives to boost the private market, the government wanted to sustain affordable housing output while cutting its cost: hence, from 2011, it introduced Affordable Rents with lower grant levels. This created policy confusion: was social housing now aimed at higher-income groups who could afford higher rents, or still at low-income tenants supported by housing benefit? But how was the latter compatible with parallel cuts in benefits via 'welfare reform'?

Labour had brought the financial arrangements for the two parts of the social sector closer together, but while 'self-financing' of council housing in England from 2012 initially did the same, councils were soon losing both stock and income as the settlement was eroded and RTB was 'reinvigorated'. Housing associations were increasingly focussed on building to let at higher rents or for sale, leading to tension about how to meet growing homelessness needs. Funding to keep stock at the Decent Homes Standard was halted, leading many to feel that, after a short renaissance, council housing was beginning another decline. The Grenfell Tower fire was seen by many as revealing a growing disregard for its residents. Even as a 'safety net', social housing was shown to have gaping holes.

How has policy diverged across the UK following devolution?

Arguably, while England questioned the 'safety net' function of social housing, within the devolved administrations it was retained and, in the case of Scotland, strengthened. How did this come about? On the eve of devolution in 1999 there was an identifiable 'British' housing system: state subsidies for council housing, slum clearance up until the 1970s, scaling back of social housing investment after the 1976 IMF crisis, pioneering homelessness legislation, the hiking of social rents and increased dependency on housing benefit and, of course, the right to buy. The first decade or so of devolution brought little divergence in social housing policy.

However, particularly with the coalition and Conservative governments in Westminster, differences began to grow. In Scotland the social rented sector is now being protected by the ending of RTB, with Wales to follow suit. While in England local authorities can discharge their homelessness responsibilities via private

tenancies, Scotland continues to use social housing. Scotland has abolished the 'priority need' category, extending full assistance to all households that are unintentionally homeless. England's Affordable Rent model has not been replicated and only England has introduced fixed-term social tenancies.

In each of the devolved administrations, housing investment has been increased. The Scottish Government aims to deliver 50,000 affordable housing units in the current parliament (35,000 of them social rented). Local authorities enjoy more borrowing freedom than in the rest of the UK, and indeed provided more social rented homes in the last five years than all the English authorities (see Commentary Chapter 4). The Welsh Government has a target of 20,000 affordable homes over the same period and Northern Ireland one of over 13,000. Such targets make recent promises of additional affordable homes in England seem modest.

But this is not the whole of the story. Historically, social security is devolved in Northern Ireland, but the 'parity principle' meant that policies were almost identical. The 'bedroom tax' has been delayed there, but not stopped. The Scottish Government gained some new social security powers but these are limited: it has mitigated the effects of the bedroom tax and can alter the housing cost element in universal credit, but is constrained legally as well as financially. In practice, then, Westminster retains a grip on a crucial policy lever – how the benefits system supports people's housing costs.

What role does social housing have in other countries?

Social rented housing is found primarily in advanced economies where governments supported the sector to meet housing shortages, to improve housing quality (often related to slum clearance) and to supply affordable housing to urban populations. Different vehicles were chosen. English-speaking countries tended to use public sector landlords, such as public housing authorities in the US and Australia. Municipal housing companies were chosen in Sweden, while the Netherlands and Denmark used housing associations as the principal providers. Elsewhere a mixture of providers emerged, notably in Germany where the mix included municipal housing companies, trade union and company housing, housing associations and private landlords.

Many other European countries have contributory welfare systems whose basic allowances are more generous than the UK's, often partly covering housing costs. Unlike the UK's huge housing benefit scheme, any separate housing support tends to be much more limited. The UK system reinforces social housing as a 'safety net', whereas less-compartmentalised social security systems facilitate its 'wider affordability' role.

Also of significance are the differing relationships between tenures. For example Sweden claims (rather disingenuously) that it has no 'social' housing because governments pursue a policy of tenure neutrality, with similar subsidy arrangements across tenures. Rents are negotiated annually by representatives of tenants and landlords and in principle a unified rental sector exists. Sweden's wider affordability model therefore effectively caps market rents by aligning them with municipal rents.

While Germany's use of private landlords to provide social housing is not unique, the scale is unusual. This complicates tenure definitions: formally, once subsidised loans are repaid, such housing returns to the market sector. Because it has not been reproduced on sufficient scale, this accounts for the 'melting away' of social housing in Germany. However, the sector is wider than legally defined: for example, municipal landlords still perform a social role even if much of their housing is no longer defined as such because subsidised loans have been repaid.

In Australia and in particular the US, social housing is an 'ambulance service' to meet urgent needs. In part this arises from its small scale and consequently severe rationing. In the US, this includes maximum income limits which can lead to exclusion should incomes rise during a tenancy; the focus on needs, such as disabilities, that are more acute than low income alone, and the exclusion or eviction of households if someone is convicted of a felony. Housing goes to those whose behaviour merits help.

Social housing has a 'wider affordability' role in most European countries where the sector has been of significant size, and does so also in Hong Kong. In France, Germany, the Netherlands and Sweden, social renting has been available to a much broader range of households than in the English-speaking countries. Commentators

often suggest that the UK should replicate these examples so as to avoid the stigmatisation and potential 'area affects' of social housing, whereby tenants appear to experience disadvantage on a scale that cannot be explained by their socio-economic situation alone.

However, there is a flip-side to the wider affordability role, if social housing excludes the poorest households because they are more likely to default on rent or require more intensive management. In France, the government gave extra subsidies to landlords to provide what is termed 'very social housing'. In Sweden, especially in high demand areas, municipal landlords systematically exclude the poorest households. Requirements for minimum incomes, a record of non-default, and the exclusion of applicants who have complex needs or who have attracted complaints mean that responsibility for the most vulnerable falls to social services departments via a 'secondary' market in housing leased from private landlords.

Nonetheless, the trend across Europe is towards the social sector playing more of a safety net role. This results from rising levels of poverty and inequality, as well as new demands from refugee populations. Sweden maintains its resistance to 'social' housing, and reacted to the European Commission's edict that the municipal sector should not compete unfairly by requiring that it become more 'business-like' without special support. The Netherlands introduced an income limit for housing association tenants, also in response to European Commission competition rules. In France, a quarter of housing allocations outside the poorest areas must now be reserved for the most vulnerable applicants.

How is social housing paid for and how has that changed?

Social housing, whether existing housing or new homes, is largely paid for from a combination of tenants' rents and (if available) government subsidy. The latter may be 'bricks and mortar' subsidy via capital grants or revenue support, or indirect, personal subsidy via housing benefit or universal credit. Underlying the trends in tenure and policy changes just described there have been major shifts in the way social housing is subsidised, and in its share of subsidy compared with other tenures (disregarding the effects of taxes and tax reliefs, discussed in Commentary Chapter 3).

The growth in council housing up to the mid-1970s was backed by central government supporting around two-thirds of the loan charges for new build, while council tenants in older stock largely met the full cost of their housing. Supply-side subsidies made up more than 80 per cent of total subsidy. Labour's introduction of Housing Investment Programmes (HIPs) in 1978 gave a mechanism for controlling supply-side subsidy to local authorities, and in the 1980s it was both cut and increasingly switched towards homeownership via renovation grants. The Housing Corporation became the means to direct capital grant to housing associations, avoiding local authorities. But, after 1988, housing benefit increasingly 'took the strain' as rents bore the brunt of the higher cost of private finance.

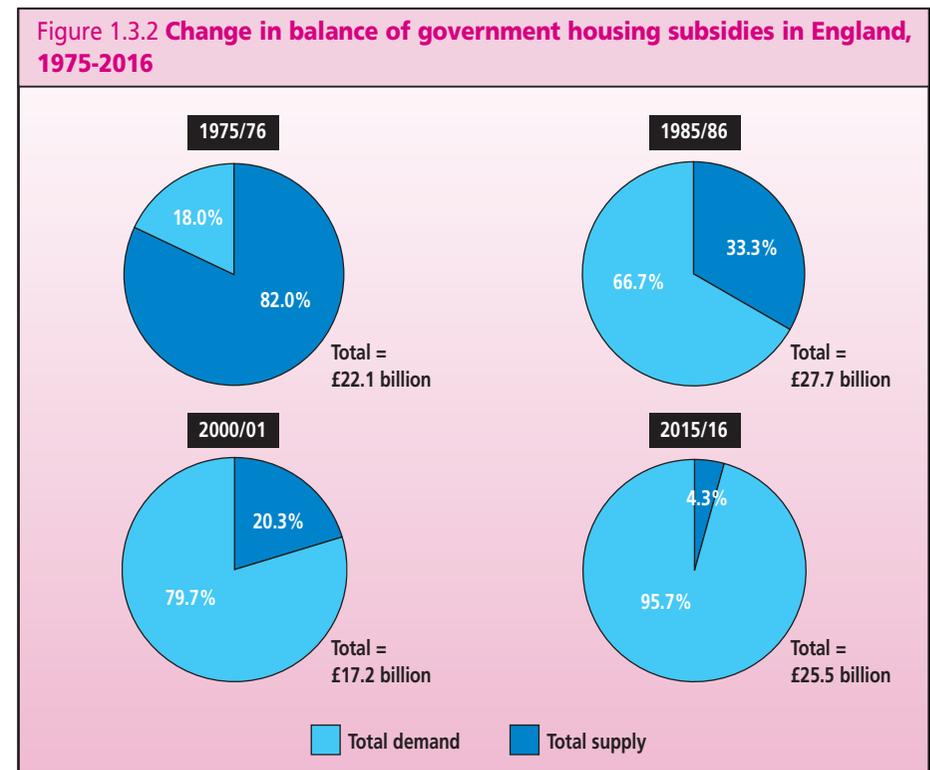
Thus, over the 25 years from 1975-2000, a radical shift took place (see Figure 1.3.2): supply-side subsidy fell from over 80 per cent of the total to only 20 per cent, with almost 80 per cent now being demand-side. The total level of subsidies also fell by 42 per cent in real terms. The largest falls were in bricks and mortar subsidies and eventually the phasing out of mortgage interest relief. Housing benefit became by far the biggest component of housing expenditure.²⁰

In the new century, this broad division initially stayed the same, although bricks and mortar subsidy switched away from private-sector renovation grants towards renovation of council housing. Supply-side subsidy had fallen dramatically to only four per cent of the total by 2015/16. However, from 2011 onwards, there have been further and frequent changes, leaving a more confused picture:

- housing association grants were cut and rents increased to subsidise new development
- this put further pressure on benefit expenditure, itself restrained by a tightening range of welfare reform measures
- 'rent convergence' was halted and ad hoc changes in rents policy ensued, although more stability in social sector rents is promised from 2020
- council housing began to make surpluses, enabling the government to make it 'self-financing' in 2012 with no expectation of future revenue subsidy

- massive support for the private market came to overshadow support for the social sector (see Table 2.4.1 on page 60), most not included in the comparisons just made.

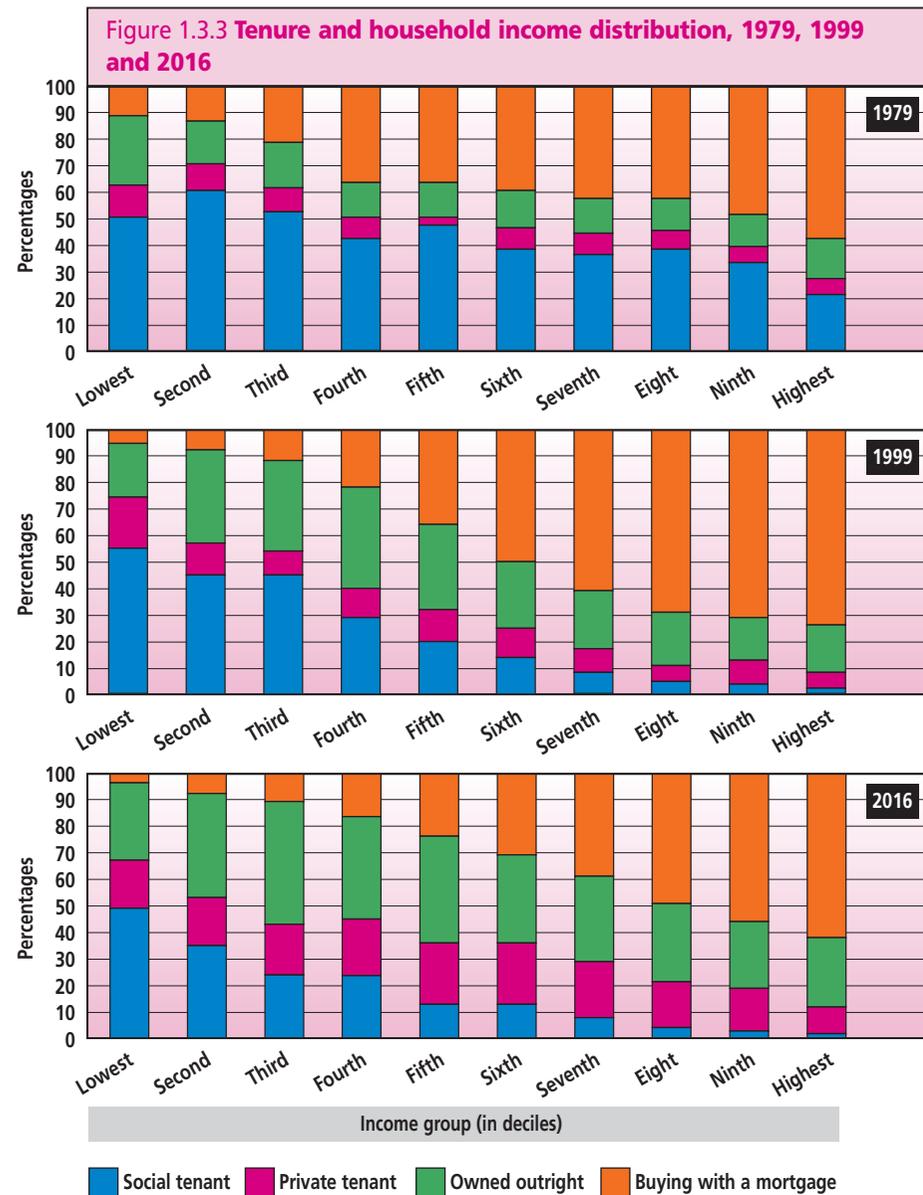
These sometimes contradictory changes are symptomatic of the fragmenting of policy-making on housing: while MHCLG leads on many issues (e.g. social sector rents), the Treasury is the protagonist of a range of high-cost private market interventions and the DWP has cut back welfare entitlements in ways that directly impinge on housing policy. Neither 2011's *Laying the Foundations* nor the 2017 housing white paper have successfully brought these together into a coherent policy.



Sources: Hills, Ends and Means; UK Housing Review and calculations by Steve Wilcox.

Note: Expenditure totals have been updated to constant (2016/17) prices. Figures cover all tenures, but exclude homeowner tax reliefs – see Contemporary Issues Chapter 1.

Who is social housing for and how has this changed?



Source: 1979 – Hills, *Ends and Means*; 1999 & 2016 – Compendium Table 38 and earlier versions.

As John Hills pointed out in *Ends and Means*, in 1979 tenants were more evenly spread over income groups, so that even 20 per cent of the highest-earning group lived in social rented housing. By the 1990s tenants were overwhelmingly concentrated in the bottom half of income groups (see Figure 1.3.3).²¹ While the concentration of low-income groups in social housing has continued, private renting is also now more significant for these groups, while buying with a mortgage has in the last decade become almost impossible for the lowest 20 per cent of earners.

This is not a simplistic story of social tenants mainly being unemployed or of pensionable age, however. As shown in Figure 2.2.2 on page 51, the proportion of working households in the social sector has risen since 2010/11, and is now only a little below what it was in 1981, after which many working tenants left the sector via right to buy. Working-age tenants on low wages are now found in both social housing and the PRS.

However, such statistics are only a small part of a much wider picture about the social and economic context for social housing, and the way it relates to issues such as income inequality, job insecurity, generational differences in tenure and housing costs, the financialisation of housing, and many more that cannot be covered here but which the *Review* has discussed in past editions.

What are the lessons for social housing's future role?

Secretary of state Sajid Javid has promised that the government's current review will 'kick off a nationwide conversation on social housing – what works and what doesn't work, what has gone right and what has gone wrong'. Arguably, learning from the past is vital to this process, hence this chapter's focus. We conclude with nine lessons, conscious that there are many more that could be drawn.

First, what we build now will last a very long time. The recent review of *50 Years of the English Housing Survey* points out that 97 per cent of houses that existed in 1967 are still in use (albeit in a different pattern of tenure). Or looked at another way, 60 per cent of stock we now have is more than 50 years old. Mistakes in housing policy tend to be long-lasting. The first post-war housing minister, Nye Bevan, said: 'We shall be judged for a year or two by the *number* of houses we build. We shall be judged in ten years' time by the *type* of houses we build'.²²

Second, policy invariably focuses on new housebuilding, yet it only makes a small contribution to solving current needs. Policies towards the existing stock and its management are also crucial. For example, the Thatcher governments successfully prioritised investment in older private housing, but neglected the social stock, leading to a huge repairs backlog. The current government prioritises stimulating the private market, but has done little to tackle insecurity for tenants in the PRS.

Third, successful policy initiatives may have unforeseen consequences. For example, right to buy was, in its own terms, a huge success, but it led to the fragmented ownership of estates, often later by absentee landlords. This produced ongoing management problems, in particular in blocks of flats as the Grenfell fire showed. Homelessness legislation and the RTB together drove a drastic change in the income profile of social tenants. The Decent Homes Standard was a success, but at the expense of investment in new building. Welfare reform has produced modest savings for the DWP, but has had enormous and unplanned consequences for those managing social housing and for its residents.

Fourth, housing provides plentiful examples of the importance of policy being evidence-based. Missing from this review are many policy initiatives which had little or no impact, littered over the 50 years: rents to mortgages, right to repair, pay-to-stay, and many more. Often they were ideas imposed from outside, with no reference to tenants' real wishes or social landlords' priorities. Cogent analyses of the sector such as the 1977 green paper or the 2007 Hills review are rarely followed through.

Fifth, successful policy change often comes from below – stock transfer and the recent growth of local housing companies are examples. Buy to let has transformed the PRS, making it an alternative but less secure alternative to the social sector for those who can no longer afford to buy. Government could respond more quickly to such emerging trends, learning from and guiding the better ones.

Sixth, trends that appear inevitable may not be. Fifty years ago homeownership was seen as becoming the norm, but it has now been in decline for over a decade. The near-disappearance of the PRS seemed inevitable, but the proportion it houses has

now returned to levels not seen since 1969. Fifty years ago, housing was beginning to slide down the political priority list but, while it stayed in the doldrums for decades ('the dog that didn't bark' at various elections), it is now perhaps second in priority only to the NHS. Politicians often seem uncertain how to deal with such unforeseen changes.

Seventh, questions of access, affordability and security, all relating to the existing stock, have come to the fore. The physical condition and even safety of the stock has been highlighted by Grenfell. In the post-Grenfell meetings held by the then housing minister, Alok Sharma, tenants raised these perennial issues. One reason why RTB was so popular is that ownership gave residents more control over such uncertainties. As one housing association chief executive commented:²³

Encouraged by government policy, we have reduced stability through offering only short-term tenancies; stretched low-income families through above-inflation rent increases; eliminated choice through 'one offer' only policies for those in the greatest need; stopped 'going the extra mile' for customers in the name of efficiency.

Indeed, as Lord Kerslake pertinently asked during the House of Lords debate on fixed-term tenancies, '[do] we see council properties as genuine homes or ... a temporary welfare provision'?²⁴

Eighth, a positive outcome from Grenfell has been to help dent stereotypical views of social tenants as typically unemployed (see discussion in Commentary Chapter 2). It has also led to some belated recognition that many social housing estates have strong communities and their tenants have huge capacity to organise – as evidenced by the fire's survivors. Social landlords may be well aware of this through their work with tenants (who are, after all, the main income source for their business) but the fire showed the need to reinvigorate tenant involvement; how to do so is a key question for the sector-led inquiries taking place.

Finally, much of the case for social housing lies in providers' capacities to combine efficiency with the ability to provide better products and services than the market, at lower prices, and to contribute more effectively to meeting long-term social and

political objectives. This is only partly a question of resources, it is also a question of political and societal attitudes towards the tenure and its tenants, of fostering a unique resource which continues to house almost one-fifth of the population while largely paying for itself, rather than seeing it as a drag on public resources and a political liability, ripe for short-term policy changes. Whether social housing is to be a stronger and more ample 'safety net' or in future to have a 'wider affordability' role, neither will be achieved without renewed commitment. It would be a tribute to the Grenfell Tower victims and survivors if such an attitudinal change were now to begin.

Notes and references

- 1 See Stephens, M. (2018) *After Grenfell* (<https://i-sphere.org/2018/01/15/after-grenfell/>) for discussion of the various inquiries and reviews arising from the fire.
- 2 Stephens, M. (2007) 'The role of the social rented sector', in Fitzpatrick & Stephens (eds.) *The Future of Social Housing*. London: Shelter.
- 3 Kemeny, J. (1995) *From Public Housing to the Social Market: Rental Policy Strategies in Comparative Perspective*. London: Routledge.
- 4 Slater, T. (2018) 'The Invention of the "Sink Estate": Consequential categorization and the UK housing crisis', in Tyler and Slater (eds.) *The Sociology of Stigma*. London: Sage.
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