

Fewer houses - higher costs - worse conditions - jobs lost

HOMES NEW CRISIS LOOMS



● Housing is in the forefront of the attack on the public services. Under the Labour Government £2,000m was slashed off council and new town house-building and improvement work alone.

● Housing is again bearing the brunt of the cuts. By 1984 public spending on housing will have been cut by a massive 65% in the last nine years. Tory spending on defence will then be 5 times that spent on housing.

● But it is not simply a matter of cuts in public spending, cash limits and rate increases. Cuts are only *part* of the process.

● The Tories are **RESTRUCTURING** the welfare state and the economy in order to increase profits and scope for private enterprise.

● New legislation and policies—new Housing Act, Health Services Act, Employment Act, Social Security Act, Local Government and Planning Act have been introduced to fundamentally change the welfare state and restrict the fightback to these changes from the labour movement.

● With inflation still in double figures and unemployment nearing 3m the Tories are switching from direct provision of much-needed public services by the state to a system where we will have to buy services from private enterprise that has to be supported by direct state subsidies.

● In housing this means selling public assets like council housing and land; running down direct works departments to create more work for private builders, encouraging private landlords by reducing tenants' security and increasing rents. But exactly the same thing is happening to other public services—health, education, social services and public transport. Only a unified fightback by the whole labour movement based on real alternative policies for workers and tenants control can stop the cuts and achieve fundamental policy changes.

Housebuilding back to the 1920's

Council housebuilding is now back to the level it was in the 1920's. Last year only 27,300 new council houses were started in England, a seventy five per cent drop since 1976. By 1983/4 it will be virtually eliminated with council housebuilding in Britain down to about 10,000 new starts — a mere handful for each local authority. Private housebuilding is also declining rapidly, down 30% last year with only 98,400 new starts. Yet, according to government figures, over 300,000 new dwellings are needed each year.

Rents rocket

Council rents are going up an average of £3.25 per week this year following average increases last year of over £2 per week. More large increases are planned over the next two years as subsidies from central government are drastically reduced. Controls on rent increases for housing association tenants have been lifted — rents will increase by up to £30 per week over the next two years. Private tenants' rents, already soaring, will rise still further as the new Housing Act brings in shorthold tenancies, abolishes controlled tenancies, and 'fair' rents rise every two years instead of every three as at present.

Improvement slows down

Government strategy to switch resources to improvement rather than clearance of older housing is failing. The rate of eliminating unfit dwellings (by demolition and improvement) has slowed down compared with the 1967-71 period. Improvement grants to the private sector fell 75% between 1974-8 and public sector improvement more than halved in this period. Although the number of unfit dwellings

and fit dwellings lacking basic amenities declined there was a 50% increase to nearly 1 million dwellings in substantial disrepair between 1971-6.

More expensive mortgages

The average price of a house is now over £24,000—double the price five years ago. First-time buyers have to pay an average £18,000 and need £5000 savings plus wages of over £8000 a year to get a mortgage. The mortgage interest rate is now 13%. Building Societies are considering paying fully competitive interest rates to savers in an attempt to attract sufficient funds to eliminate the mortgage queue. But this will mean more expensive mortgages—basic mortgage interest rates of 17% or 18% would now be in force if the societies had already implemented the proposals. Meanwhile the banks, particularly American ones, are moving into the mortgage business for higher priced houses. The Trustees Savings Bank has allocated £166m to finance mortgages for council house sales.

Subsidies to private housing increase

Despite claims about the need to cut-back public spending, subsidies to private housing are going to increase still further while those to council housing are drastically cutback. Despite all the propaganda about highly subsidised council tenants (£1,600m subsidies in 1978) the private sector is subsidised nearly three times as much—current and capital grants to the private sector of £1,400m in 1978, £1,100m in mortgage tax relief and £1500m tax relief on capital gains on owner occupied houses — a total of £4,000m. The latter two subsidies increased a further £840m in 1979 alone.

Sales soar

72,000 council houses were sold under the Labour Government 1974-79. Last year over 81,000 were sold in England and Wales — nearly three times the number of new council homes built and the first time that sales had ever outstripped new council housebuilding. Council house sales lead inevitably to even higher rents and after a limited initial gain sales turn into substantial financial losses for councils and the government. Every 100,000 houses sold results in a loss of £1200m (at 1977 prices). Sales also mean longer waiting and transfer lists, less choice, reduced mobility and the creation of council ghettos as the best housing is sold off. In some cases blocks of flats and estates are being sold off to housing associations and property developers. Selling council housing land, building for sale, shared ownership schemes, family mortgages are all part of the Tories' asset stripping of the public sector.

Redundancies and closures

Redundancies and closures are increasing in local authority building, design and housing management sections. A drop of 100,000 new house starts means the loss of 30,000 design and construction jobs over three years and a further 2,500 permanent repairs, maintenance and management jobs in councils. New Tory legislation is imposing controls, much more stringent than those applied to private builders, on direct works departments' tendering, accounting and forcing them to make a 5% rate of profit—failure to do so could result in closure by the government. Services to tenants are being sacrificed for profit and more work for private builders. Many departments were being rundown even before the latest cuts. Glasgow is planning 1700 redundancies, Camden 600, to add to the 347,000 building workers already unemployed.

THE HOUSING CRISIS IS GETTING WORSE

- * More people are waiting longer — 1,200,000 on council waiting lists.
- * Homelessness is increasing — 57,000 households accepted by councils in England in 1979.
- * 1,900,000 houses are either unfit for human habitation or lack basic amenities.
- * 30,000-50,000 houses are lost through slum clearance each year and another 70,000 become unfit annually.
- * 300,000 council houses are difficult to let by local authorities' definition alone.
- * Nearly 2,000,000 dwellings required repairs of over £500 (1971 prices)

Takeover!

Housing associations, with limited accountability and high rents, could soon become the main source of new public sector housing—they now account for 40% of the total public sector housebuilding and improvement work. Housing associations, rapidly expanded by the Labour Government at the expense of council housing, have recently been hit by spending cuts but are, nevertheless, seen as a key vehicle for expanding other forms of tenure

Women suffer most

Women have traditionally had to take the burden of, and the action against bad housing conditions, daily life in tower blocks with kids etc. Now the cuts and the dismantling of the Welfare State — fewer nurseries, school meals, reduced hospital services and more caring for the sick and disabled at home, fewer jobs for women, combined with the Tories' push to reinforce the role of the family and 'the home' will lead to increased tensions and problems — and made even worse by deteriorating housing conditions. More people at home will lead to greater strain on personal relationships and people's physical and mental health.

Repairs backlog grows

New government controls over the level of 'allowable housing expenditure' by councils is likely to lead to further cutbacks in repairs and maintenance. Councils' backlog of repairs has been growing rapidly recently — Nottingham's more than doubled in the last three years — as budgets have been cut, maintenance periods extended, tenants made responsible for a wide range of repairs and higher repairs charges (a national survey has found that tenants already spend as much as councils on repairs).

- in 1976 of which four out of ten were owner occupied — a 42% increase in just five years.
- * Defects and dampness in badly designed and built council housing will cost hundreds of millions of pounds to repair — £180m in Glasgow and Edinburgh alone, £83m in the New Towns.
- * Local authorities are having to demolish more and more purpose-built council housing — over 10,000 dwellings have been or are planned to be cleared.

Housing is in constant need of repair, improvement and replacement. A large programme is needed each year just to stand still.

Standards scrapped

The government standards for space, internal layout etc for new and modernised council housing have been scrapped along with existing cost controls. Whilst making less and less money available the government has introduced new controls, presented as giving local authorities more freedom of choice. Annual ceilings on spending, cost limits and government controls against defaulting councils, will be used to get 'value for money' and penalise 'spend-thrift' and 'extravagant' councils.

State support

The private housing market can only survive and continue to expand through increasing support from the State. A bigger and bigger slice of public spending is going to support this market through cash grants like repair and improvement grants, tax relief and subsidies, councils' building-for-sale and making land available for builders, carrying the burden of financial losses resulting from council house sales, providing guarantees and taking the risk element out of expanding private housing,

THE NEED FOR ALTERNATIVES

The need for real alternative demands and policies has never been greater. Labour and Tory housing policies are virtually the same bar a few differences and 'sensitivity' in their implementation.

The labour movement has to raise fundamental questions about all public services as well as housing:

- * who determines what is needed
- * who benefits from the services provided
- * who controls them

In housing this means developing alternative policies to achieve worker and tenant *control* over the design, building and running of estates; pressing for the *resources* — land, finance, trained workers — to build, improve and repair to high standards; and policies to give people *choice* of the type, layout and location of housing together with adequate public services — health centres, nurseries, public transport as well as providing easy access to jobs, shops and leisure facilities.

Contrary to media reports, there is no lack of money — for example several billion pounds could be obtained if unpaid company taxes were collected, if tax privileges and subsidies were reduced, let alone what could be achieved through more fundamental changes. £4000m left the country within a year of the Tories lifting exchange controls.

HOUSING IS IMPORTANT FOR THE LABOUR MOVEMENT

Higher Wages: Higher Housing Costs

The conflict between the cost of housing and wages is inherent in the capitalist system. The system ensures that as wages increase market forces push up the cost of housing. Working class people have to meet these increased housing costs from their wage packets — and so demand higher wages. Rents and house prices have risen much faster than average earnings and retail prices generally in the last ten years.

More or Fewer Jobs

Substantial employment is provided in the design, building, management and maintenance of housing—600,000 jobs in local authorities and private construction companies. The construction and building materials industry plays a central part in the economy, supplying 12½% of the total value of goods and services produced in Britain and employing two million people. The rate of housebuilding and improvement and the tenure of housing has a direct bearing on the number, quality and social usefulness of jobs in the housing sector.

Investment and Profit

Housing is a major source of investment and profit making—the value of Britain's housing stock is now worth twice as much as the market value of all British industry based on Stock Exchange prices. Profit is made at every stage—land acquisition, design, construction, building materials and on the money borrowed to pay for all of these: £45,000m (1979) is owed to financial institutions by owner occupiers and local authorities just to buy and build housing. Profit is also made by solicitors, estate agents and surveyors every time a privately owned house is bought or sold. In the last ten years 300,000 new council houses could have been built in place of all the fees spent just buying and selling houses.

Integral Part of Economic Strategy

Housing policy, along with policies for the control and location of industrial investment, form an integral part of any economic strategy both nationally and regionally. Tory economic strategy seeks to create new markets for private enterprise, sell existing public assets, relax controls to make it easier for firms to operate, create conditions to coerce people into using the private sector and to restrict the fightback from the labour movement. Housing is in the forefront of this strategy that is also being used to fundamentally change health, education and other public services. Rather than having a comprehensive programme of creating jobs and publicly controlled investment in areas of high unemployment combined with a programme to improve and expand council housing and other public services, the government's strategy seeks to expand the private housing market while having minimal controls over investment in and the location of industry.

Maintaining Existing Values

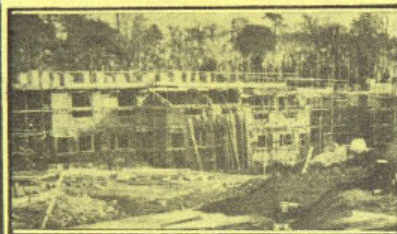
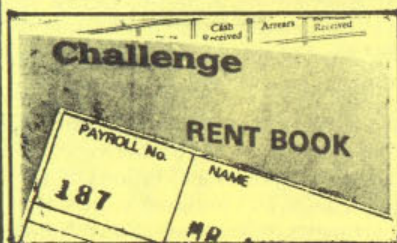
Housing and employment are two of the most important areas of our lives that are used by business interests and the state to maintain and promote the ideology of private enterprise and existing attitudes and values, e.g. individual competition, profit motive, self-help and personal ownership rather than collective control and responsibility.

Workers Fed and Clothed

The house is the place where the current generation of workers, mainly men, are fed, clothed and generally serviced; where children are brought up and equipped to be the next generation of workers; where the sick are often cared for; and where the elderly and unemployed spend a substantial part of their time. Women have been forced by the capitalist system to be primarily responsible for the family and the home as well as providing industry with a predominantly unskilled, low paid pool of labour.

Labour Movement Struggle

For these reasons it is essential that trade unions, trades councils, tenants associations and federations, community groups, women's organisations and other Labour Movement organisations have to jointly take action to raise their real wages and to get a housing policy that will prevent these economic gains from being eroded and that at the same time will improve the quality of housing. This means campaigning for worker and tenant control over the resources for investment in, production and use of housing.



WHAT CAN BE DONE

Some examples of national and local organising and action

In the same way that local struggles against the attack on education and the health services are being drawn together nationally through the trade unions and organisations like Fightback, so it is now essential to draw together at a national level local housing campaigns, and the unions involved in producing and managing housing. To this end a National Housing Delegate Conference was held in Manchester on February 23rd, 1980, and was attended by nearly 250 tenants association, trade union, trades council and women's group delegates. A resolution was unanimously passed which included:

LOCAL BROAD BASED CAMPAIGNS

Conference urges the building of broad-based housing campaigns in local areas as a priority. These campaigns should endeavour to draw together all parts of the trade union, women's community and tenants movements. Campaigns should recognise that owner occupiers suffer from cuts in services and increased rates as much as tenants and should therefore encourage them to work together for better housing conditions for all and not against each other.

Conference agrees that we must campaign for local councils not to implement cuts and/or rent and rate increases, and to maintain and improve services. This will include campaigning for the defiance of any legal moves that may be directed against councillors and council officials engaged in effective resistance. Industrial and other forms of direct action including rent and rate strikes will need to be considered as part of any successful strategy of resistance.

NATIONAL LIAISON

Conference believes that it is necessary to draw together at a national level the many different groups and organisations on the housing question by establishing a National Housing Liaison Committee representative of as wide a range of organisations and regions as possible without affecting the autonomy of any of them. The role of the committee will include:

- 1 Supporting and encouraging the development of local activity and the building of locally based campaigns.
- 2 Working towards joint action and support between all organisations opposing the anti-working class policies of this government.
- 3 Providing an information and propaganda function throughout the Labour Movement and in particular passing on lessons and experience of local campaigns.
- 4 Providing a national focus for local activity including the preparation of a working class housing manifesto, and co-ordinating and developing national initiatives.



- Trades Councils can follow the example of Coventry, Leeds, Edinburgh and North Tyneside in setting up Housing sub-committees to examine housing policies and co-ordinate action.
 - South Shields Trades Council has recently produced a major report analysing the relationship between housing policy, industrial policy and employment in an area of industrial decline.
 - Coventry Trades Council has been actively working with the Coventry Temporary Tenants Association's campaign against the council's policy of putting homeless tenants into short life housing in appalling conditions.
- As a result of a rapid growth in local action around the problem of dampness a number of city-wide coalitions of anti-dampness groups have been set up to co-ordinate action and demands, and to share experience and information. In addition, the National Anti-Dampness Working Party was set up in 1979 to provide encouragement and practical support to local and city-wide campaigns, to raise dampness as a national problem
- requiring action and resources from central government, and to secure the involvement of the building and other local government unions nationally and locally.
- Joint Tenants and Workers Committees have been set up between tenants federations and unions (mainly UCATT) in direct works departments in Sandwell, Southwark, Lewisham and a Regional Joint Committee has been set up between the London Tenants Organisation and UCATT.
- The setting up of local authority Joint Shop Stewards Committees combining stewards from different departments can be an important step to combatting cuts in services and redundancies, preventing one department being played off against another, supporting industrial action against council house sales and the rundown of direct works.
- Workers and Residents Housing Plans can be a useful means of linking the producers and users of housing to develop ideas and visions about what housing should be like, carry out a new analysis of local housing problems based on people's needs, investigate the resources available to improve all aspects of the building and improvement of housing, and increase worker and tenant control over the design, production and use of housing.
- Local cuts campaigns linking together trade unions, trades councils, tenants and women's organisations have been established in a number of areas, e.g. Haringey, Manchester, Lambeth, Tower Hamlets. These campaigns are organising around a range of issues e.g. health, education, housing, producing *Fightback* bulletins, organising marches and demonstrations, supporting occupations and industrial action.

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It works closely with tenants and community groups and federations, trades councils, trade unions, cuts campaigns

and other Labour Movement organisations by:

- * giving advice and assistance on housing and planning issues
- * giving advice on campaign strategies and organisation
- * researching national and local policies and developments
- * organising education workshops and courses
- * publishing pamphlets and assisting organisations with their own reports

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