

# Homes Fit for Heroes: Council Housing in Britain 1919-2019

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# The Puzzle of Council Housing

- Britain's story of public housing is unique
- No major developed country built more council housing as proportion of its total housing stock in the 50 years to 1971
- But no country dismantled its system of public housing so quickly and drastically as Britain from the 1980s

# Path Dependence

- Decisions and structures in the 1920s set the pattern for decades to come
- Major debate on council housing in 1970s
- New paradigm emerged in 1980s that has endured until the present
- Are we now at another turning point?

# Conventional wisdom..

## *Building council housing*

- wartime shortage of housing
- slum conditions and insecurity for most working class tenants
- growing sense of social responsibility by govt

## *Selling council housing*

- desire of most people to be owner occupiers
- burden on taxpayer of subsidies for council house building
- poorly designed and unpopular council estates



# ...or myths?

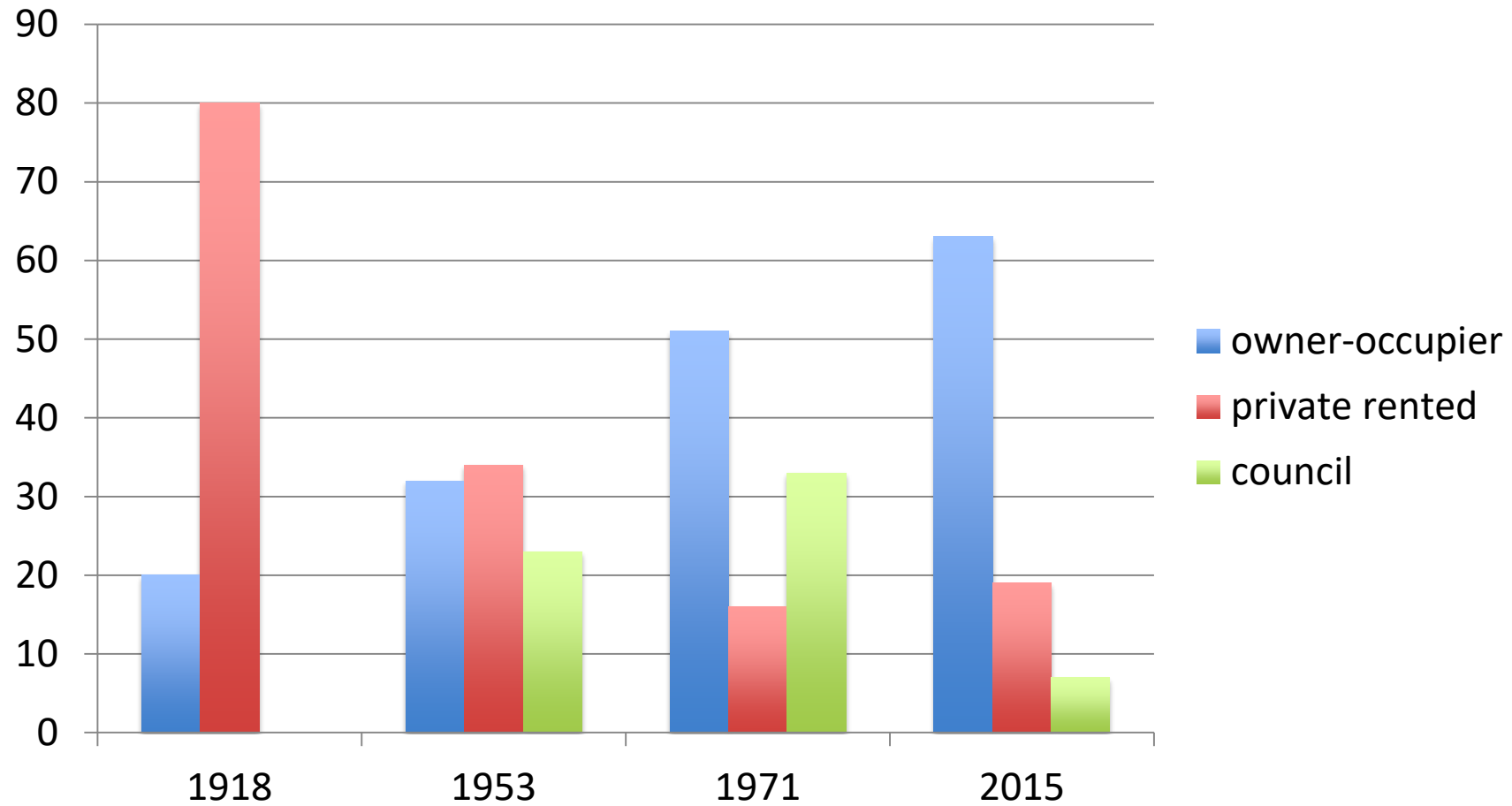
- *Building council housing*
- Social responsibility? *Needs clear many years before effective action*
- Wartime shortages?
- *Consensus on building continued for 50 years*
- Poor housing conditions?
- *Change came only after struggle by tenants*
- *Selling council housing*
- Design flaws?
- *Most council houses were not high-rise tower blocks*
- Owner-occupation?
- *Already growing fast due to easier mortgages*
- Cheaper for govt?
- *Housing benefit cost more than building new homes*

# Broader approach needed

- Bring in political economy
- Examine the relationship between tenures
- Key role for housing finance
- Consider broader economic and social context
- Look at the experience and aspiration of tenants, landlords and home-owners

# Housing Tenure 1918-2015

(% of total housing stock)



# Splendor and Squalor



# A century of government failure

- 1840: “Bill to Improve Dwellings of the Working Classes”  
(Public Health campaign)
- 1851: Shaftesbury Act (Lodgings Act)
- 1875: Cross Act (slum clearance)
- 1890: Housing of Working Classes Act
- ‘4% Philanthropy’: Model Dwellings

# The LCC Millbank Estate 1902



# The Tenants Revolt

Glasgow 1915



# Poverty and Insecurity





# The Glasgow Rent Strike



Please tack this to Top of Lower Sash of Window.

**Glasgow Labour Party Housing Association**

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**RENT STRIKE  
AGAINST INCREASES**

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**WE ARE  
NOT REMOVING**

# Glasgow Women's Housing Association

**Mary Barbour**



**Helen Crawford**



# The Sinews of War





**DAVID LLOYD GEORGE, MINISTER  
OF MUNITIONS, 1915**



# Landlords in retreat

- Rent and Mortgage Restriction Acts, 1915
- Political opposition stops repeal of Rent Acts
- Slum clearance: unfit for human habitation
- Alternative less risky investments: war bonds
- Political consensus that private renting cannot provide adequate working-class housing

# Creating Council Housing

The Decisive Decade

# Alternative Visions

**Christopher Addison**



**Neville Chamberlain**





# Experiments in council housing

## **Homes Fit for Heroes 1919**

- Three year crash program
- Aimed at 500,000 homes
- Unlimited Treasury subsidy
- Higher design standards
- Cost of houses soared
- Treasury ended programme in 1922 with Geddes Axe

## **Subsidy to private sector 1923**

- Limited subsidy to private builders over 20 years
- Councils could not build unless they could show no private building taking place
- Few private rented working class homes built

# John Wheatley: The Architect of Council Housing

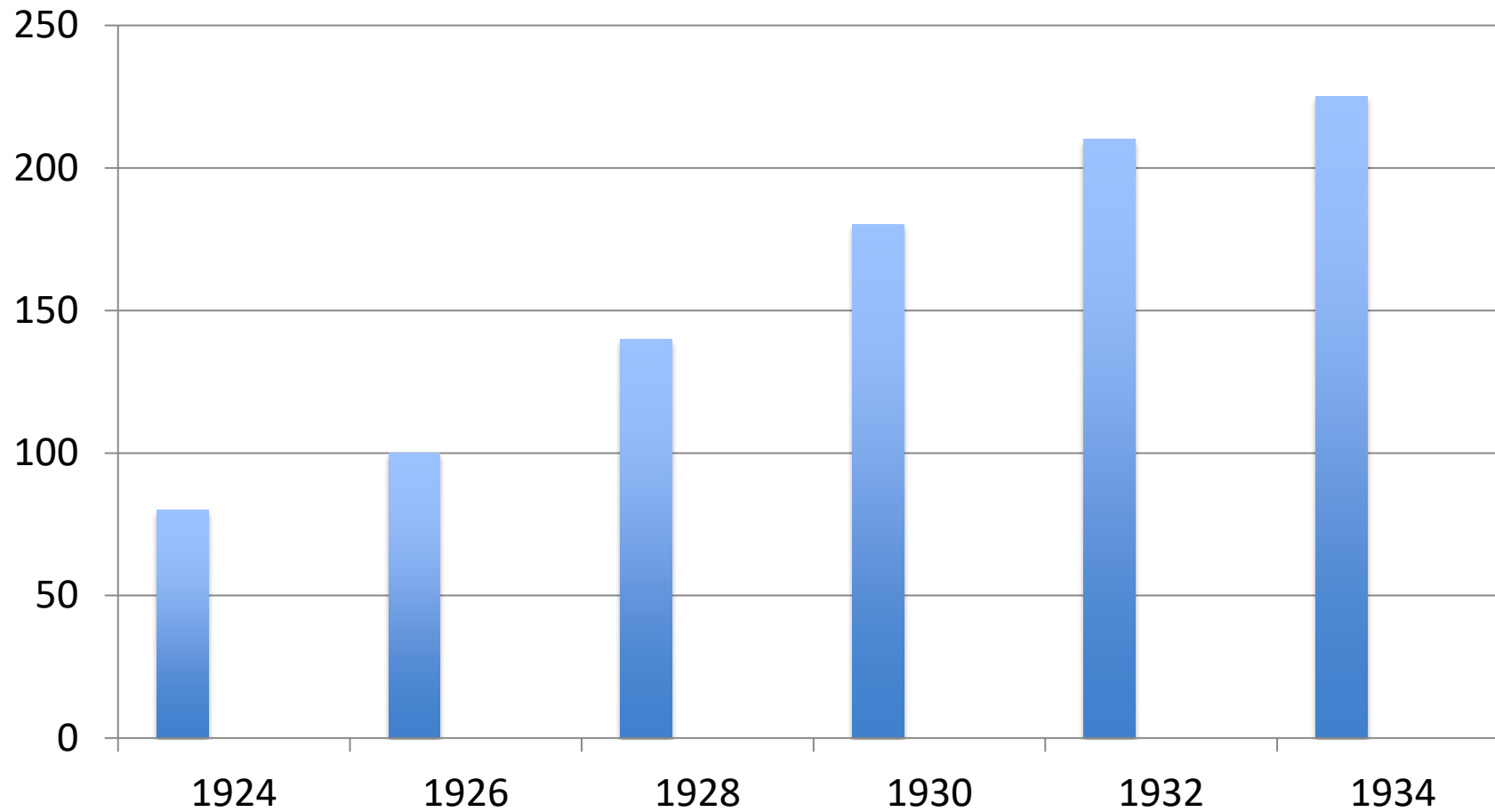


- Born in poverty in Lanarkshire mining village
- Leader of the Glasgow Labour Party
- Organiser of Glasgow Rent Strike of 1915
- Minister of Housing, 1924

# The Wheatley Act

- Long term building programme which aimed for 2.5 million council homes over 15 years
- Building unions and employers agreed to expand construction industry to meet demand
- Cost of building materials was to be limited
- Local authorities were given a larger, 40 year subsidy and limits on rate contribution

# Wheatley's 15 year housing plan (thousands of completions)





## **HUGE NEW COUNCIL ESTATES**

Becontree Estate, Dagenham Essex, 1930s



**GARDEN ESTATES WITH HIGH STANDARDS**

Tudor Walter housing on Becontree Estate

# KEEPING UP STANDARDS

“The Housing Committee realise that you have been living under very undesirable conditions, and that in worn out houses it is very difficult to get rid of vermin. But there will be no excuse in your new house... This sounds a lot, but life isn't going to be all work for the housewife. The new house will be easy to keep clean and it will be well worth looking after...”

*Letter to New Tenants, Corporation of Bristol Housing Estates  
Department, 1936*

# The Post-war Consensus



# Housing in the Blitz



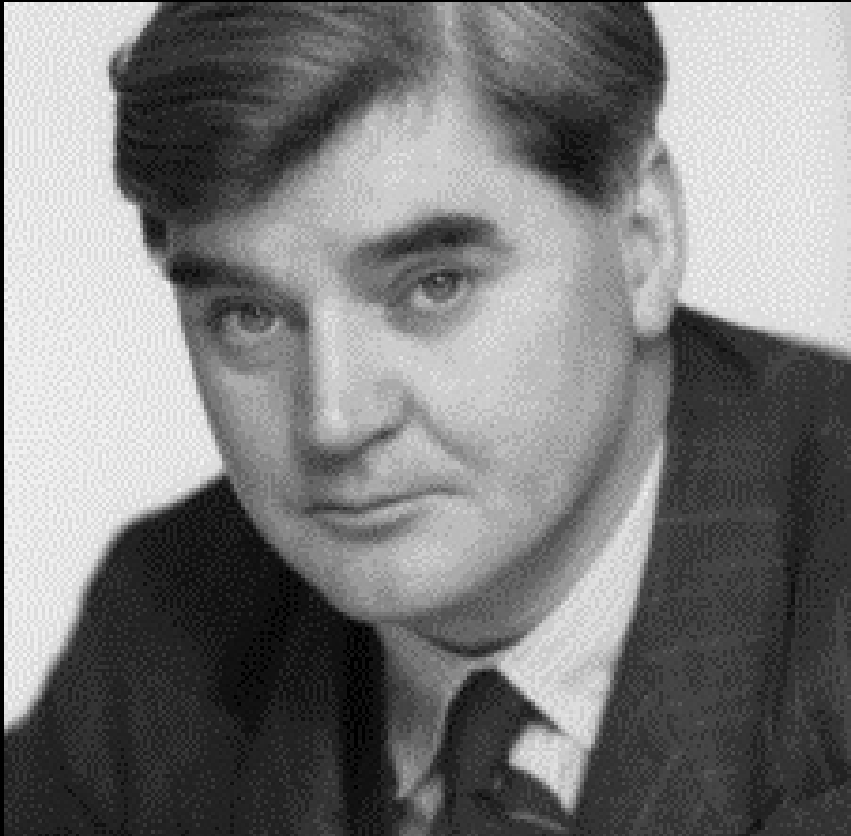
# The Beveridge Report



- *The Five Giants*
- Want
- Idleness
- Ignorance
- Illness
- **Squalor**

# A Common Goal

**Aneurin Bevan**



**Harold MacMillan**



# Labour's Post-war Housing Plan

- Nye Bevan planned massive expansion of council housing to a new higher standard
- Private housebuilding was sharply restricted
- Housing drive limited by shortage of labour and materials and economic constraints
- In 1947 govt was forced to limit imports and switch production of goods for export
- Bevan also involved in major fight with doctors over the establishment of NHS

# The Tory Housing Drive

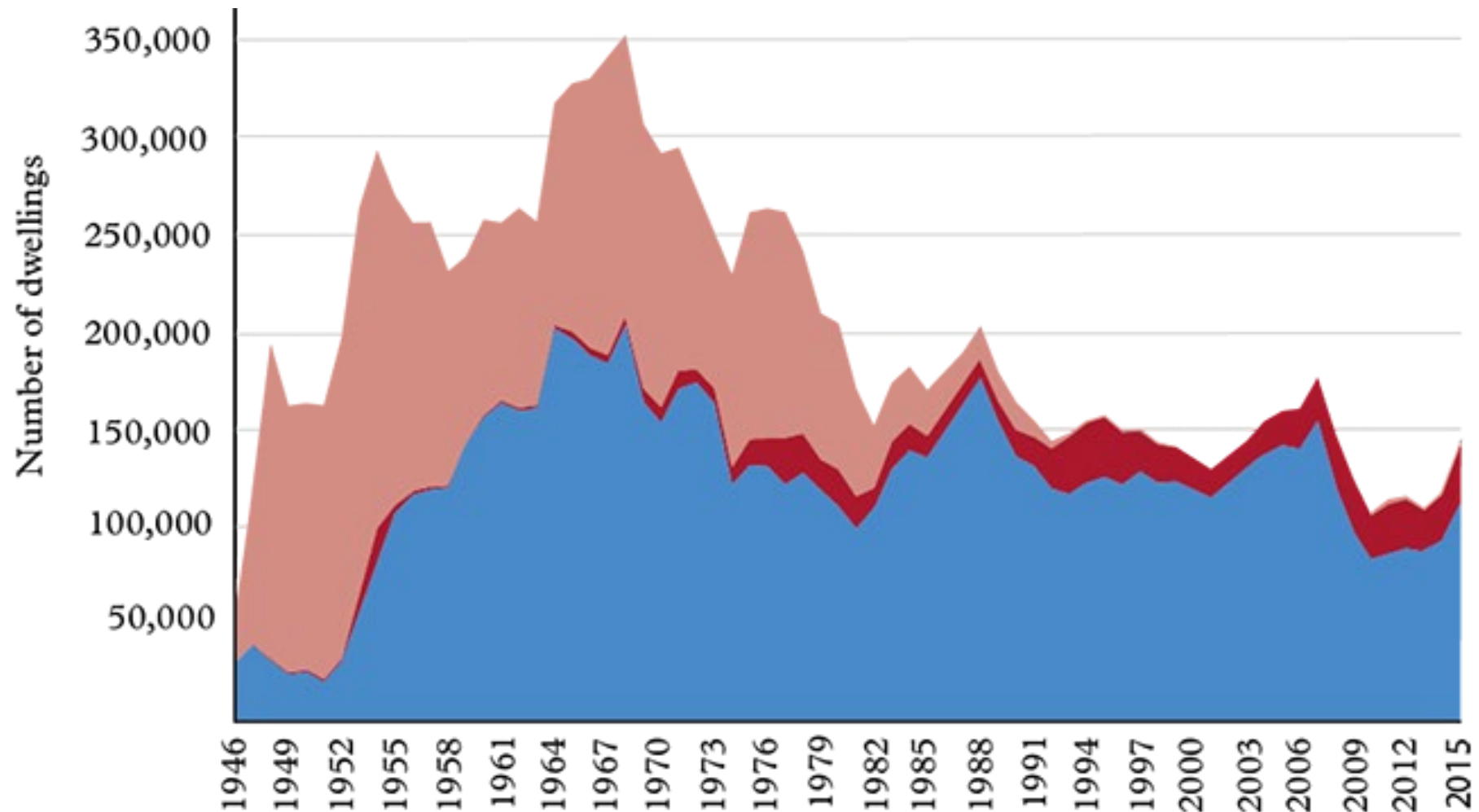
- At 1951 election, Conservatives pledged to build 300,000 homes per year – exceeded target by 1954 under Housing Minister Harold MacMillan
- Target achieved by partly lowering standards and relaxation of rationing and building controls
- Gradual shift to private sector building and limitation of council housing to slum clearance
- Increased subsidy to high-rise and attempt to lower costs through industrial building methods



# New Towns



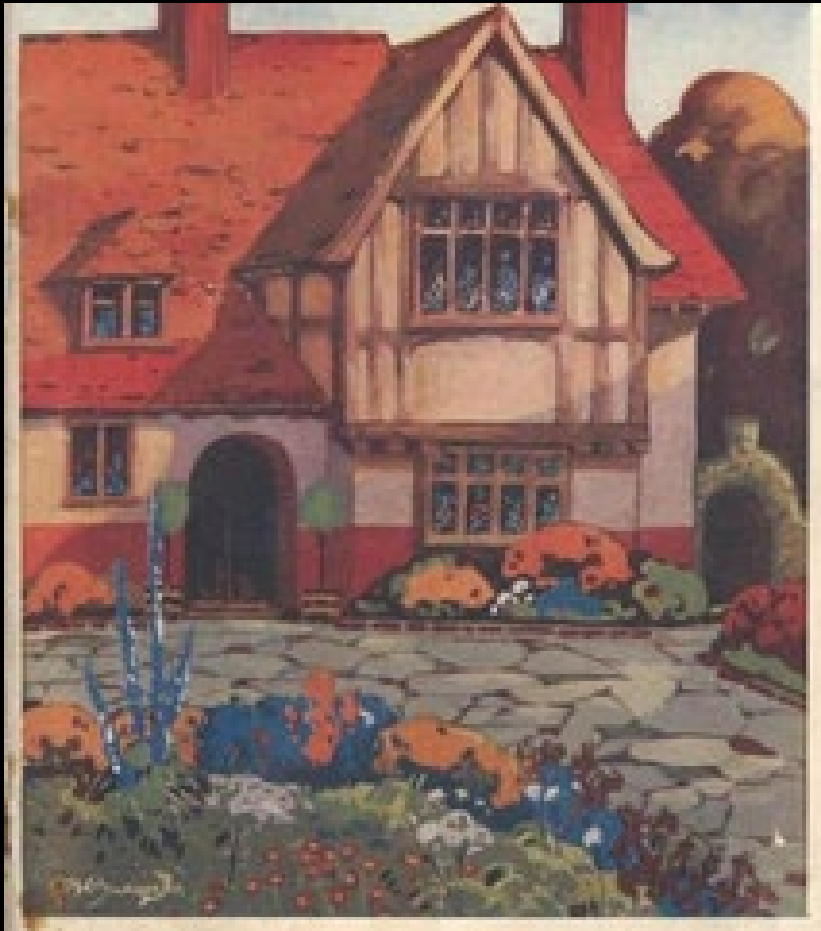
# House building in England 1946-2015



# CONSTRUCTING OWNER-OCCUPATON



# The suburban ideal: 1930s



# The unexpected growth of owner-occupation

- State intervention failed to produce much private sector building in the 1920s
- But by 1930s owner-occupation was spreading in South-east with expanding economy
- Crucial: more available, cheaper mortgages
  - lower interest rates due to devaluation
  - growth of national building societies
  - cheaper houses and low deposits

## BEST INTEREST

at all times is in investment which encourages enterprise and stimulates employment. The record of Building Societies during the past decade has been, as Lord Baldwin remarked, 'a hopeful sign of national stability.'

The policy of the Abbey Road Building Society in financing only the right kind of housing throughout the country has resulted in such a surplus of money to be invested that the Government's restrictions imposed in 1930.

*The Advertising*

Investors in the Abbey Road are now offered the following advantages:

● Sums up to £5,000 can be invested in share accounts (with *Archives*) and free of liability to Income Tax.

● Sums up to £5,000 can be invested upon Deposit (at three months' notice) to bear the yield of 2½% net.

# ABBNEY ROAD

LONDON'S LARGEST BUILDING SOCIETY

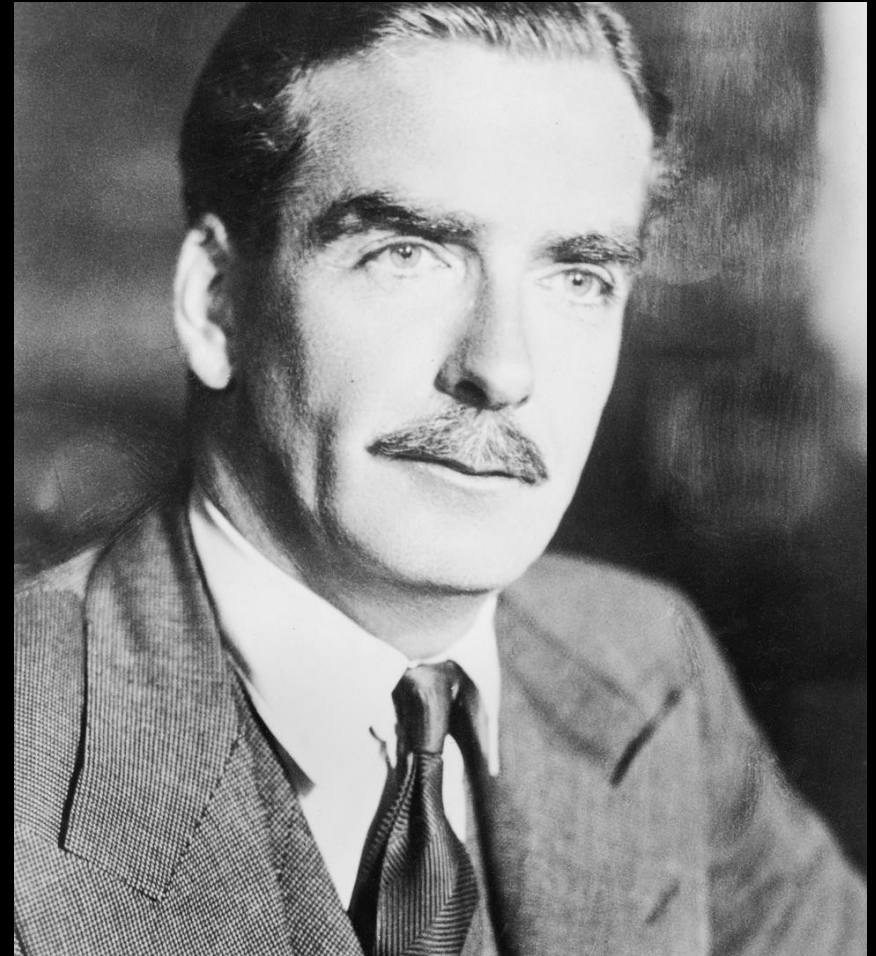
**Financing owner-occupation**

The Abbey Road Building Society

# A property-owning democracy?

“We of the Conservative Party must maintain that the ownership of property is not a crime or a sin, but a reward, a right, and a responsibility that must be shared as equitably as possible among all our citizens.”

*Anthony Eden, 1946*



# Pre-conditions for owner-occupation

- Growth of a consumer society with focus on status through material possessions
- Higher incomes for ordinary workers
- New attitude to borrowing: credit cards
- Persuading people who grew up in the Depression to take on more debt wasn't easy
- Easier availability of credit and mortgages
- House price boom

# Changing Attitudes to Debt

“Mortgages used to be thought of as a burden and a shameful one at that. Some people see them this way still. Poor wretch, they say, look at him- three kids and a mortgage...

The truth is , if you have got a mortgage, you are privileged...

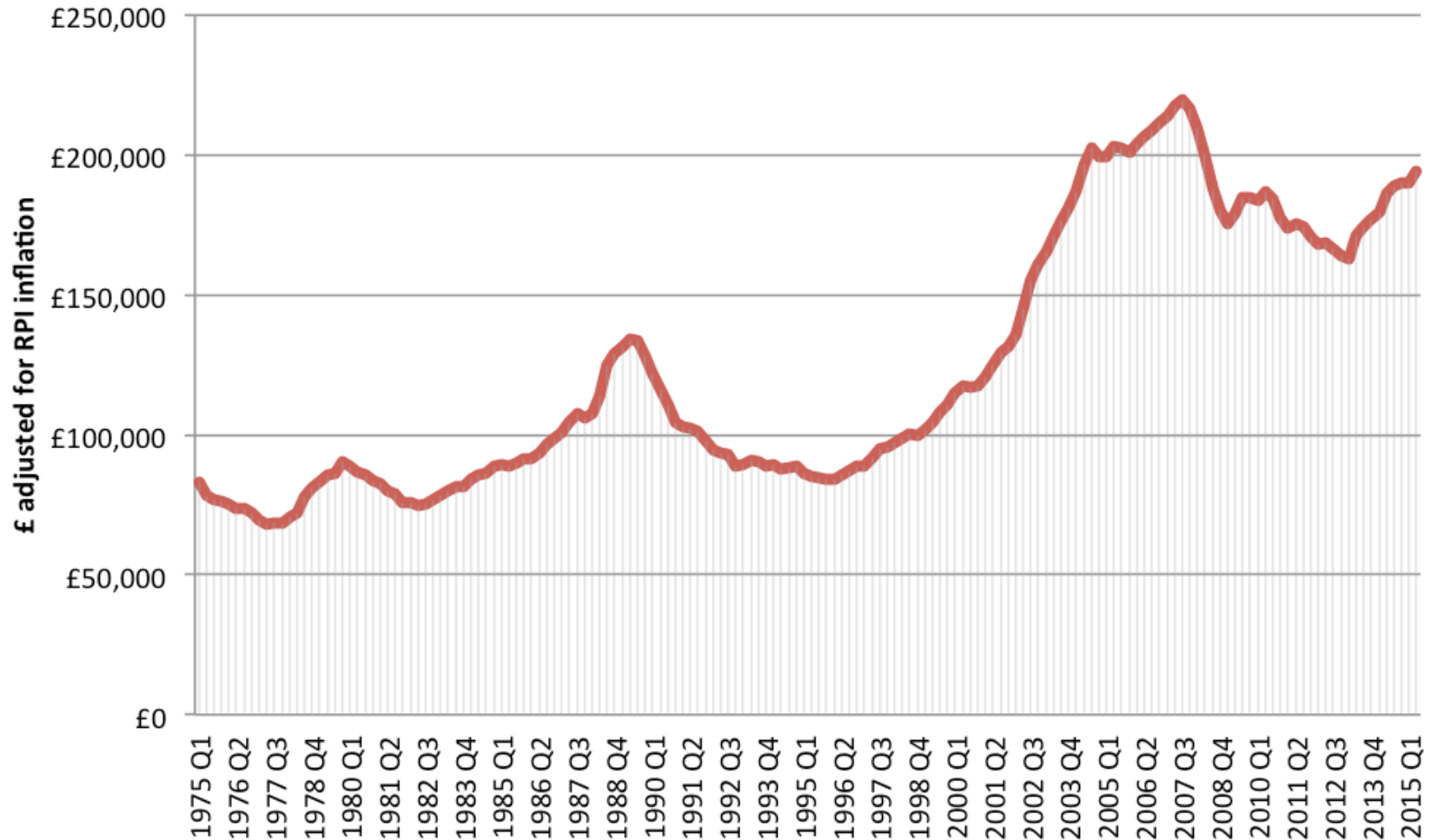
So we don't feel too cut up about problems of people who already have mortgages – We are much more bothered about people who don't have one.”

*Which Magazine, 1968*

# Increased access to mortgages

- Bank of England eased limits on building society mortgage lending
- Competition for mortgage lending from banks increased
- People no longer had to save for many years with a building society to get a mortgage
- Lower deposits and fewer restrictions on those who were eligible to borrow

# Soaring house prices 1975-2015





# COUNCIL HOUSING UNDER ATTACK

The 1970s

# Critiques of Council Housing

- Construction faults: Ronan Point
- Design faults: was crime designed in?
- Planning nightmare? overspill estates
- Cost explosion: financing public housing in a time of high inflation and government cuts
- Council management: Paternalism and bureaucracy

# The Ronan Point Disaster

- Gas explosion caused partial collapse of tower block in Newham, East London in May 1968
- Industrialised building system was blamed
- Crystallised opposition to all tower blocks and symbolised the failure of council housing



# Newspaper coverage of high-rise flats

	<i>Pro</i>	<i>neutral</i>	<i>anti</i>
1950-54	29%	57%	14%
1955-59	38%	56%	6%
1960-64	43%	33%	24%
1965-67	<b>0%</b>	51%	<b>49%</b>
1968	<b>3%</b>	60%	<b>37%</b>
1969	<b>11%</b>	50%	30%
1970	<b>4%</b>	69%	27%

# Peak proportion of high-rise flats built 1966-71 by region

- London: 47%
- Scotland: 19%
- Northwest: 21%
- West Midlands: 17%
- North: 11%
- E. Midlands: 12%
- Southeast: 8%
- Southern Counties: 5%
- Wales: 3%
- South-west: 3%
- East Anglia: 3%



# Le Corbusier: Modernism Under Fire



# Planners and the public

- Attack on planners: 'La Ville Radieuse' from Le Corbusier to the 1944 London Plan
- 'East End Study': People want to live near friends and family
- 'Soul-less' New Towns and overspill estates
- Design flaws and 'defensible space'
- Challenged by re-analysis of field notes and field studies

# Crisis in Housing Finance

- High inflation led to high interest rates and made it more expensive for councils to borrow to build
- Government borrowing further restricted by economic crisis and drive for balanced budget
- Rents covered less and less of cost of building despite rent pooling
- Wheatley's system of long-term investment subsidy paid back by future rents under threat



# Council management under fire

- Cost pressures on repairs and maintenance
- Resistance to petty rules on estates
- Conflict over who should get priority for council housing, as needs-based assessments came in
- Further Pressure on the system: the Homeless Persons Act 1977
- Changing social composition and social status of council housing

# SELLING COUNCIL HOUSING

# Parties and council house sales



# CHANGING ATTITUDES TO OWNER OCCUPATION: LABOUR

- 1974-79 Labour government began internal discussions on what to offer the 50% of voters who were now owner occupiers
- PM policy unit advocated sale of council housing with some strict conditions
- Tony Crosland rejected plan because of fierce opposition from Labour local authorities

# CHANGING ATTITUDES TO OWNER OCCUPATION: TORIES

- Peter Walker proposed giving away all council housing to tenants (who had been there a specified number of years)
- Opposed by shadow environment secretary Margaret Thatcher: 'what would our people who struggled to buy their Wates homes say?'
- Also proposed government should subsidise mortgages to limit how high they should be

# The Conservative vision

“Home ownership stimulates the attitudes of independence and self-reliance that are the bedrock of a free society.”

*Michael Heseltine, Secretary of State for the Environment, 1983*



# The right to buy...

- Key pledge in 1979 Tory election victory
- Backed by Mrs Thatcher but architect of the policy was Michael Heseltine
- All council tenants were given the right to buy their existing homes at steep discounts with guaranteed mortgages
- Draconian powers to take over local councils if they refused to cooperate with sales

## ..and the end of rent control

- The Right to Buy legislation also abolished the system of rent control that had existed in Britain in one form or another since 1915
- Landlords could evict tenants under 'shorthold' tenancies
- Councils were also forbidden to build more council housing
- Receipts from council house sales went to the Treasury to help pay for tax cuts



# Council house sales 1980-2010

Conservatives: 1981-1992

**Number sold: 1.56 million**

**Capital receipts: £24.8 bn**

Labour: 1997-2010

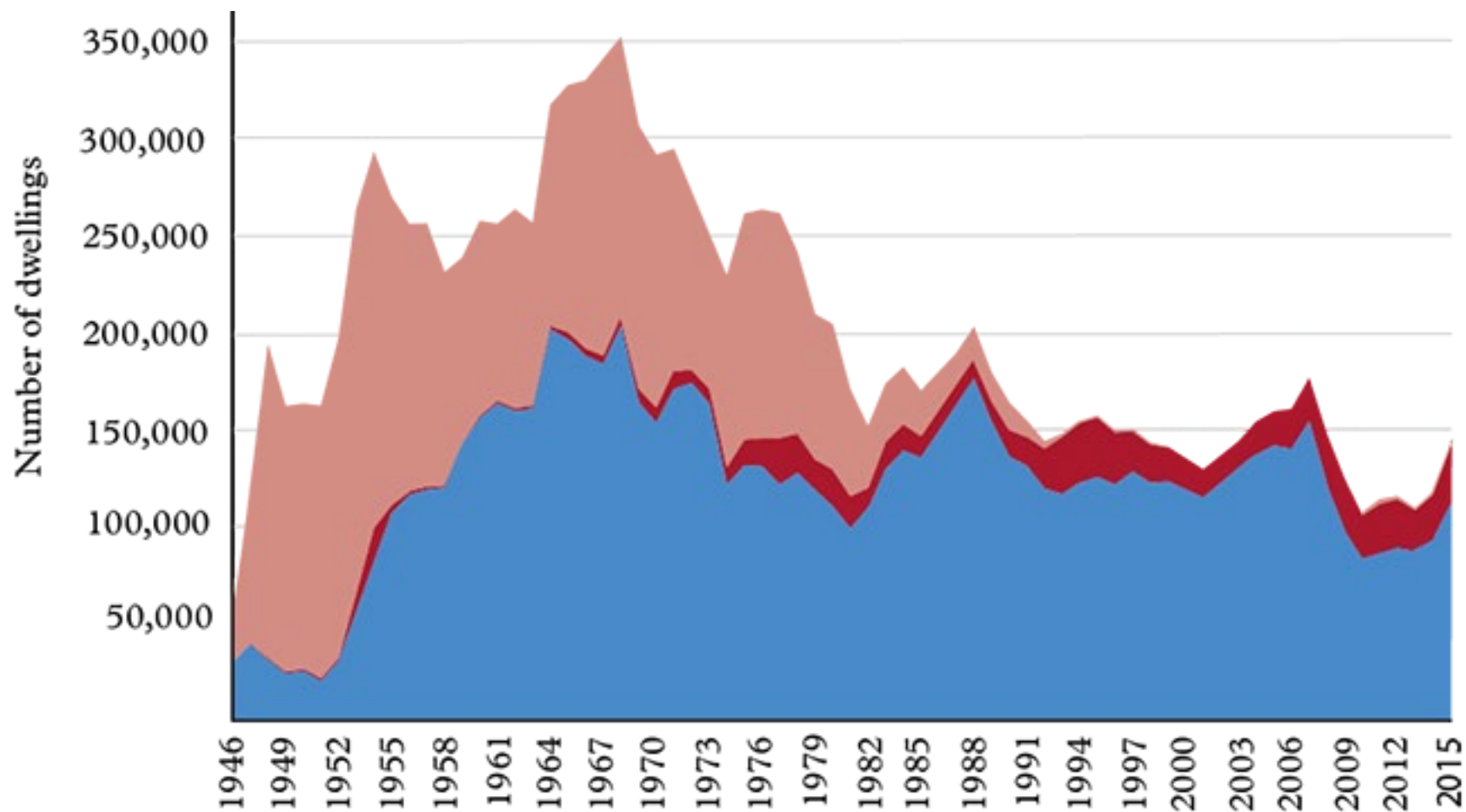
**Number sold: 0.94 million**

**Capital receipts: £25.7 bn**

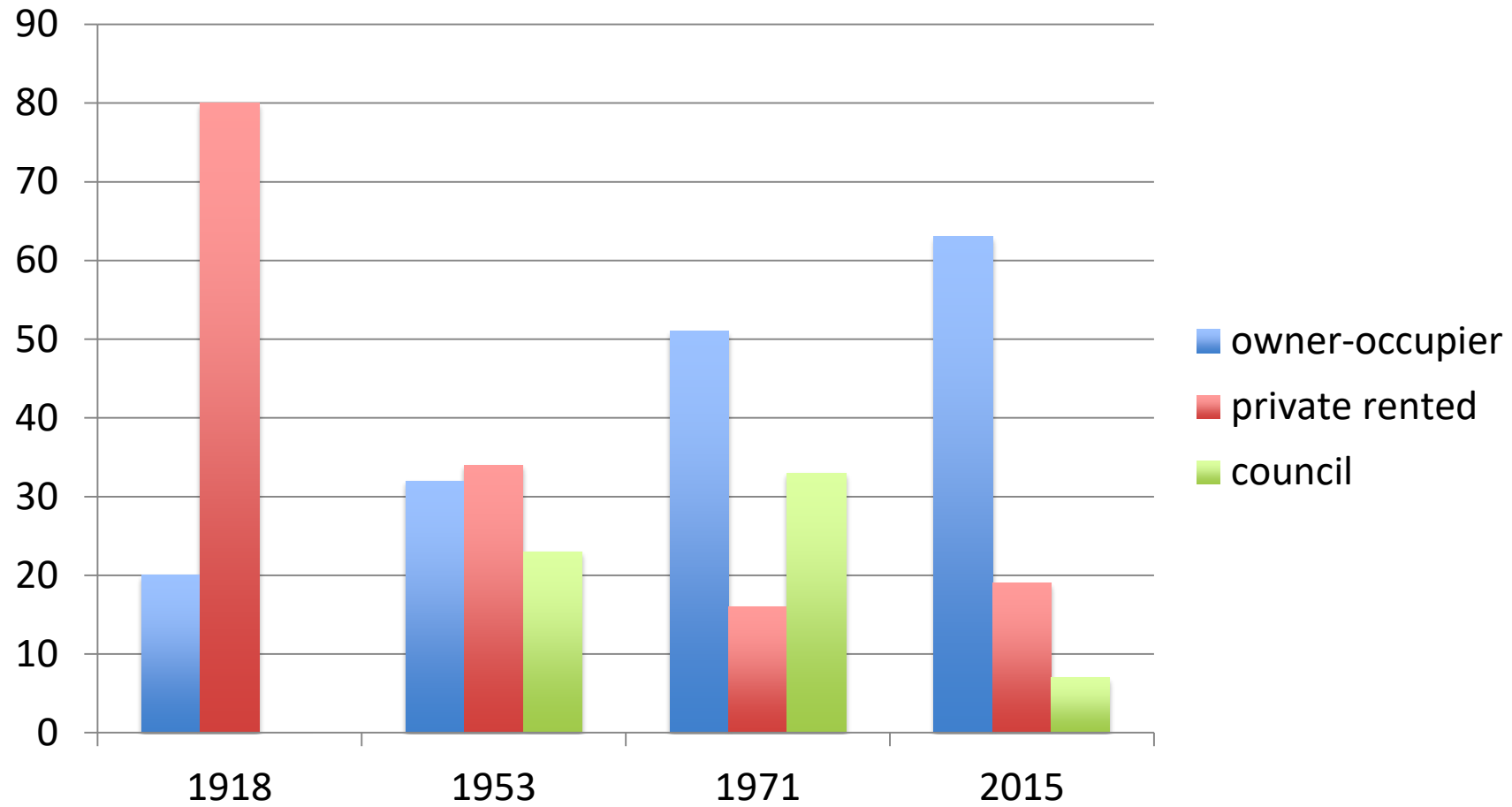
# A New Political Consensus

- Both parties embraced the right to buy and housing became a less salient issue for a while
- Any additional social housing was to be provided by expanding housing associations
- This was to be funded by using profits from mixed developments with private luxury housing
- Further affordable housing through planning agreements with private builders
- Much less affordable public housing built

# House building in England 1946-2015



# Housing Tenure 1918-2015



# RETROSPECT AND PROSPECT



# Consequences of the right to buy

## Positive

- More people became owner-occupiers and gained windfall profits from sales
- Government borrowing was cut (although housing benefit went up)
- Politically popular and led to a decade of de-alignment

## Negative

- Changed social composition of social housing sector led to stigmatization
- Private sector housebuilding did not take up the slack thus increasing house prices
- Those who could not get on housing ladder faced higher costs and limited access

# Future challenges: owner-occupation

- Housing prices are so high as to price many people out of owner-occupation
- Next generation has far lower rate of home ownership and overall increase has stalled
- Land availability restricts further growth
- Government attempts at further mortgage subsidies for first time buyers have fueled prices
- Overall accumulated housing shortage



# Future challenges: private renting

- Rents following house prices to unaffordable levels
- Lack of security of tenure means not suitable for families
- Dependent on building by small buy-to-let landlords
- Still poorest conditions of any tenure

# Future challenges: council housing

- No longer an aspirational tenure
  - poor image of council estates and tenants
  - many councils lack the capacity for major developments
- Despite cheap interest rates funding has been severely restricted
- Changes to local-central government relations and council-local resident relations needed

# Conclusion

- Council housing born of long struggle between landlords and tenants
- By interwar years both political parties had come down on the side of tenants
- Consensus challenged by growth of owner occupation and problems in council sector
- New consensus – bias to owner occupation – has led to house price inflation and difficulties for younger people to find affordable housing
- Do we need to re-invent new housing policies?

Thanks for listening!

Further references available in transcript on  
Gresham College website