https://theses.gla.ac.uk/

Theses Digitisation:

https://www.gla.ac.uk/myglasgow/research/enlighten/theses/digitisation/

This is a digitised version of the original print thesis.

Copyright and moral rights for this work are retained by the author

A copy can be downloaded for personal non-commercial research or study, without prior permission or charge

This work cannot be reproduced or quoted extensively from without first obtaining permission in writing from the author

The content must not be changed in any way or sold commercially in any format or medium without the formal permission of the author

When referring to this work, full bibliographic details including the author, title, awarding institution and date of the thesis must be given

Enlighten: Theses
https://theses.gla.ac.uk/
research-enlighten@glasgow.ac.uk

NATIONAL HOUSING POLICY AND THE ROLE OF COMMITTEES OF INQUIRY

WILLIAM D S WALLACE

THESIS PRESENTED FOR DEGREE OF M.Litt.

Department of Politics
Faculty of Social Science
University of Glasgow
September 1992

Copyright © WDS Wallace September 1992

ProQuest Number: 10992098

All rights reserved

INFORMATION TO ALL USERS
The quality of this reproduction is dependent upon the quality of the copy submitted.

In the unlikely event that the author did not send a complete manuscript
and there are missing pages, these will be noted. Also, if material had to be removed,
a note will indicate the deletion.

ProQuest 10992098

Published by ProQuest LLC (2018). Copyright of the Dissertation is held by the Author.

All rights reserved.
This work is protected against unauthorized copying under Title 17, United States Code
Microform Edition © ProQuest LLC.

ProQuest LLC.
789 East Eisenhower Parkway
P.O. Box 1346
Ann Arbor, MI 48106 – 1346

Thesis
9415
Copy 1

GLASGOW
UNIVERSITY
LIBRARY

ABSTRACT

The objective is to examine, in relation to national housing policy, the role of committees of inquiry, both government appointed committees, and departmental select committees of the House of Commons first established in 1979. The period involved in the study is from 1945 to about 1985 with the government established inquiries being conducted by statutory advisory committees and departmental/interdepartmental committees in the years prior to the mid 1970s, and the select committee inquiries by the Environment Committee and the Scottish Affairs Committee in the early 1980s.

The main housing policy areas covered are the private rented sector of the market, and slum clearance and improvement, although inquiries by the departmental select committees into council house sales, housing capital allocation, and dampness in housing, and, by a statutory housing advisory committee into local authority housing allocation practice are also reviewed.

In exploring the role of the government appointed committees of inquiry, the assumption made at the outset is that they were established in the expectation that certain benefits would ensue to government. A range of 'potential benefits' is suggested, ['independent establishment of the facts', 'provision of independent expert advice', 'problem solving', 'consensus building', 'case building' 'legitimisation', and

'education and attitudinal change', plus perhaps 'delay'], and it is postulated that government might be inclined to establish such committees where one or more of those benefits was perceived to be of significance in relation to an issue.

The reports of six government appointed committees of inquiry having been reviewed, and consideration given as to what benefits within the range identified could have been anticipated when the inquiry was established, the extent to which the benefits did in the event emerge and the degree of their impact is assessed. In some cases, because of changed circumstances, benefits other than those anticipated are found to have emerged, or anticipated benefits to have been rendered less significant. When situations are encountered where, on the basis of the argument advanced, government might have been expected to establish an inquiry but did not do so, explanations are sought.

With regard to the Environment Committee and the Committee on Scottish Affairs the objective is to assess how effective they have been and are likely to be in examining housing policy, and to consider the potential for joint inquiries by the two Committees. Two reports by each Committee are reviewed [an inquiry by a select committee in 1973, prior the establishment of the departmental committees, is also included by way of comparison].

In assessing the 'appropriateness' of the topics for investigation the importance of achieving consensus is considered. While achieving consensus reports is regarded by some as important, because these are likely to have a greater influence on government, it is argued here that too much significance can be attached to this. Areas of housing policy can be contentious and to exclude a topic from consideration on these grounds may lead to issues going uninvestigated, and in any event, even where committee members are unwilling to challenge the main thrust of policies they may be prepared to support criticism of departments and of ministers. The appropriateness of the topics on other grounds - significance, putting issues on the policy agenda, increasing information, providing opportunity for discussion, raising topics and widening the policy community is also considered.

It is concluded that the Environment Committee has been more effective than the Scottish Committee in cross-examining witnesses, and factors contributing to the latter's weakness in this regard and ways of ameliorating it are discussed.

The scope for joint inquiries is assessed and potential advantages to both Committees from their establishment identified, but it is predicted there could well be opposition to such a development particularly from the departments concerned. Further, prevailing political circumstances are judged to be unfavourable.

ACKNOWLEDGEMENTS

I wish to express my appreciation of the advice and support I have received from my supervisor Professor James Kellas throughout my period of study. I am also grateful for the assistance of Professor David Donnison, Honorary Research Fellow in the University's Centre for Housing Research, who gave me early and invaluable insight into the operation of committees of inquiry.

CONTENTS

INTRODUCTION		1
SECTION I -	Statutory Advisory Committees and Departmental Select Committees.	11
CH.I	The Central Housing Advisory Committee and The Scottish Housing Advisory Committee.	12
CH.II	The Environment Committee and The Scottish Affairs Committee - Background.	34
SECTION II -	The Private Rented Sector.	43
Introduction		44
CH.III	The Second Ridley Report to the 1957 Rent Act.	47
CH.IV	The Milner Holland Report and the 1965 Rent Act.	84
CH.V	The Francis Report and the 1974 Rent Act.	124
CH.VI	Inquiry by the Environment Committee into the Private Rented Housing Sector 1981/82 and Subsequent Developments.	139
SECTION III -	Slum Clearance and Improvement Policy.	156
Introduction		157
CH.VII	The Denington and Cullingworth Reports and the 1969 Housing Acts.	162
CH.VIII	Inquiry by the Expenditure Committee into Housing Improvement Policy 1973 and the 1974 Housing Acts.	208

SECTION IV - Inquiries on Other Housing Issues. 247

CH.IX The Sale of Council Houses, and Housing Policy in Scotland - Further Inquiries by the Departmental Select Committees. 248

CH.X Local Authority Housing Allocation Policies. 274

CONCLUSIONS 292

On Government Appointed Committees of Inquiry. 293

On The Environment Committee and the Committee on Scottish Affairs. 308

BIBLIOGRAPHY 321

INTRODUCTION

This study seeks to examine aspects of housing policy during the period of 40 years from the end of the second world war and to consider the role performed in that connection by committees of inquiry including both government appointed committees and select committees appointed by the House of Commons. During most of the period defined government appointed committees of inquiry still remained a conventional mechanism in the policy making process, being particularly prevalent in the second half of the 1960s.[1] And, in its latter part there was increased interest in the development of select committees in response to pressure for parliamentary reform.

Three common distinguishing factors can be identified as applying to government appointed committees of inquiry:-

1. the production of information and [normally] advice for government after the consideration of evidence stemming from written submissions and generally hearings, and sometimes from commissioned research and from visits of inspection;
2. the inclusion within their membership of individuals who are not civil servants or local government officials, thus differentiating them from the type of 'committee normally referred to as a working party;
3. the consideration of general policies and procedures rather than circumstances specific to one event.[2]

The Royal Commission is perhaps the best known type of government appointed committee of inquiry but a Royal Commission which reported in 1917 on working class housing conditions in Scotland has been the only one concerned specifically with housing policy this century,[3] and its sole predecessor was the Royal Commission on the Housing of the Working Classes [1884-85]. During the period in question government initiated inquiries were conducted either by departmental or inter-departmental committees or by statutory standing advisory committees.

Although the Royal Commission may be perceived as having a higher status - its members being appointed by the Monarch, unlike a departmental committee where this role is performed by the relevant minister - it has been claimed that there is no co-relation evident between the level of public interest and the importance of the topic concerned, and the nature of inquiry established.[4] Moreover, while it might be supposed that the Royal Commission is more powerful in terms of requiring disclosure of information and achieving publicity for its findings there appears to be little factual basis for such a conclusion.[5]

The appointment by the responsible ministers[6] of the standing advisory committees referred to - the Central Housing Advisory Committee [CHAC} for England and Wales, and the Scottish Housing Advisory Committee [SHAC} was required by provisions introduced by the Housing Act 1935 and the Housing [Scotland] Act of the same year. While the Committees'

original primary raison d'etre may have been with regard to measures to tackle overcrowding with which the two Acts were principally concerned, there were also general provisions enabling the ministers to seek advice, as the Scottish legislation put it - "on any question which might be referred by him to the Committee with respect to any other matter arising in connection with the execution of enactments relating to housing".[7] Each Committee was also free to make recommendations to the minister on any such aspects of its own volition.[8] The Central Housing Advisory Committee was abolished in 1975 and its Scottish equivalent five years later.

Select committees were extensively utilised in the 19th century, particularly the earlier part, to inquire into social issues,[9] But with the increasing significance of party politics the select committee came to be viewed as an inappropriate mechanism for such purposes. In more recent times, including much of the period since the second world war, those select committees which were concerned with government activity were limited to monitoring the performance of government departments, for example - with backing up the audit work of the Comptroller and Auditor General - the Public Accounts Committee; and with economy in the pursuit of government policies - the Estimates Committee. MPs serving on such committees were precluded from raising questions on the nature of policy. It was only civil servants who were cross examined not ministers, and only ministers could deal with policy issues. Although, as

Morris observes - "because the Estimates Committee [was] empowered to examine any of the estimates presented to the House of Commons and to report on how, if at all, the policy implied in the estimates could be carried out more economically, members of the Estimates Committee [were] therefore, able to range over the whole field of administrative policy".[10] In 1970 the Estimates Committee was restyled the Expenditure Committee with amended terms of reference. The "new Committee, unlike the Estimates Committee, would not be barred from considering the policies behind the figures [and] there would [therefore] be occasions when it would be appropriate for ministers to give evidence before it".[11]

The Expenditure Committee was abolished in 1979 when the House of Commons agreed to establish a system of departmental select committees, each committee having the remit to 'examine the expenditure, administration and policy' of a specific government department and its associated bodies, the Environment Committee and the Committee on Scottish Affairs being in a position to discharge these functions with regard to housing.

While viewed against a cyclical model involving policy making, policy implementation, and policy review, government appointed committees can be seen to have an inquiry role at any of the three stages, departmental select committees are restricted to the latter two. When established they were not envisaged as having a role at the policy making stage, and they would not have prelegislative or legislative func-

tions. To the extent that they were concerned with the nature of policy it was to be with the examination and appraisal of existing policy.

The last housing related inquiry carried out by the Environment Committee was conducted during 1981/82[12] and the last by the Scottish Affairs Committee during 1983/84.[13] In the 1987-92 parliament due to lack of co-operation from its own backbenchers, the Government failed in its attempt to reconstitute the Scottish Affairs Committee.

State intervention in the housing market [as distinct from the sanitary aspects of housing], on any significant scale, dates from around the time of the first world war, and over the succeeding decades a considerable volume of legislation relating to housing was produced. Some of the measures were preceded by inquiries by government appointed committees and this was particularly so with regard to the development of the Rent Acts although a consistent pattern of inquiry preceding legislation in this field, which was a feature of the inter-war years, was not evident after the second war when the relationship between inquiry and legislation became fragmented and more complex. There are also examples of government appointed committees of inquiry in connection with other areas of housing policy such as slum clearance and housing improvement, the role of housing associations, and [at the implementation level] local authority housing management. On the other hand, significant, issues which such committees of inquiry have not been

asked to address include subsidies to the public, and to the private sectors of the housing market.

There clearly have been circumstances where governments have found it requisite or expedient to appoint committees of inquiry and others where they have not. And, it seems logical in attempting to analyse the role which this type of committee of inquiry plays to, as Rhodes suggests, view them primarily from the point of view of the governments which appoint them.

> "In order to understand the use of committees it seems essential first to try and elucidate how and why governments thought it necessary or desirable to appoint them in specific cases. The basic assumption here is that since the decision whether to appoint a committee is in the hands of government, the committees must be useful in some way to government whether or not they have other uses or consequences".[14]

It is of course possible that governments reluctant to take action on an issue may use the appointment of a committee of inquiry as a device for implying that something is being done or perhaps for postponing the requirement for action, with a minimal response the likely eventual outcome. But it seems a reasonable presumption that the majority of inquiries are established with positive objectives notwithstanding that in some situations, the resultant delay may be seen as having political advantages. Any benefits flowing

from delay would however, in such circumstances influence the timing of the announcement of the inquiry rather than the decision to establish one.

In addition to the possible benefits of delay, what other advantages might flow from a committee of inquiry from a government's or department's viewpoint? Considering policy from the formulation stage, through the legislative process, to subsequent implementation, the following suggest themselves, although this is not claimed to be an exhaustive list.

1. Independently establishing the facts of a situation.
2. Providing impartial expert advice.
3. Solving problems.
4. Case building for negotiating with other departments - particularly the Treasury.
5. Consensus building: within the government party; between the parties; and, with organisations and professional groups responsible for implementation.
6. Providing legitimisation, for example: for positive discrimination in resource allocation; for state intervention in property rights; for changes having an adverse impact on certain groups; for new 'radical' ideas.
7. Educating and achieving attitudinal change - particularly where professionalisation is not widespread among those responsible for implementation.

[Senior civil servants, who may be expected to be influential in a decision as to whether or not to establish an

inquiry, are likely to be particularly concerned as to the availability of independent advice especially where there is doubt as to the advisability of a particular course of action, with support for inter-departmental negotiations, and regarding those factors which may influence the longer term implementation of the measures.]

These potential benefits having been identified, it can be further postulated that governments may be inclined to appoint committees of inquiry where such considerations, individually or in combination, in connection with a particular issue can be seen to be of significance. Clearly, however, other considerations will weigh in the balance. In particular it may be that the consequential delay is unacceptable for various reasons. It may also be that circumstances arise where the desired benefits can be achieved from another source.

In conducting the study of government appointed committees of inquiry evidence will be sought to support this hypothesis and to assess the impact of the identified benefits. It may also be that cases will emerge where as the result of a change in situation, benefits which were not seen as significant at the time of the appointment of the committee become so and vice versa.

Further, it is hoped, that by exploring situations in the same policy area where in some cases legislation was preceded by an inquiry, and others where it was not, to draw

useful comparisons.

With regard to select committees of the House of Commons - the Environment Committee, and the Committee on Scottish Affairs - the objective is to assess how effective they have been, and are likely to be, in examining housing policy. This will include considering those criteria likely to influence the selection of topics, and those which might be regarded as applying to an 'appropriate' topic. It will also involve assessing the adequacy of the resources and mechanisms available to the Committees, and the attitudes of MPs, government, opposition parties, and elements of the wider political system to the activities of the Committees. The possibility of joint inquiries by the two Committees will also be explored.

Because different types of committees have been concerned with similar areas of housing policy, it has been judged appropriate to structure this review, as far as possible, on a policy area basis rather than according to the type of committee concerned, and this is the pattern followed in the main, although there is a departure from it in the penultimate chapter. As a preliminary, it is considered necessary to describe in more detail the background relative to the statutory advisory committees, and somewhat more briefly the Environment Committee and the Scottish Affairs Committee, and it is to this that the following two chapters are devoted.

NOTES AND REFERENCES - INTRODUCTION

1. Writing in the late 1960s one academic observer, and a participant in several government established inquiries wrote - "Seldom in British history have so many committees of inquiry been at work." Donnison, D., Committees and Committeemen in New Society 18 April, 1968.

2. Rhodes, G., Committees of Inquiry, Allen & Unwin Ltd., London, 1975, Ch.2.

3. The Royal Commission on the Housing of the Industrial Population of Scotland, Rural and Urban, Cd. 8731, H.M.S.O., Edinburgh, 1917.

4. Chapman, R.A., [Ed], The Role of Commissions in Policy Making, Allen & Unwin Ltd., London, 1973, p.174. and Wheare, K.C., Government by Committee, Oxford University Press, London, 1955, p.69.

5. Chapman op. cit. p.174.

6. For England and Wales the Minister of Health and at that time in Scotland the Department of Health for Scotland.

7. The Housing [Scotland] Act 1935 [Section 22].

8. Ibid.

9. Wheare, op. cit. p.70 [n].

10. Morris, A., The Growth of Parliamentary Scrutiny by Committee, Pergamon Press, Oxford, 1971. pps. 128 -129.

11. Select Committees of the House of Commons, Cmnd.4507, H.M.S.O., 1970.

12. HC 40 - I 1981/82, The Private Rented Housing Sector, Report by Environment Committee.

13. HC 206 - I 1983/84, Dampness in Housing, Report by Committee on Scottish Affairs.

14. Rhodes, op. cit. p.191.

SECTION I

STATUTORY ADVISORY COMMITTEES

& DEPARTMENTAL SELECT COMMITTEES

CHAPTER I -THE CENTRAL HOUSING ADVISORY COMMITTEE AND THE SCOTTISH HOUSING ADVISORY COMMITTEE

The housing legislation passed in 1935 providing for the establishment of the Committees[1] enabled, in the case of CHAC the Minister of Health, and in the case of SHAC the Department of Health for Scotland,[2] to make orders governing their constitutions and procedures.[3] The Ministry of Health Order provided that the number of members of CHAC was to be determined by the Minister but was not to exceed 30; tenure was for two years from 30 September following the date of appointment, although members could be re-appointed; the Minister was to be chairman and the Parliamentary Secretary vice-chairman. Under the Scottish Order the number of members of SHAC was left to the discretion of the Department although a minimum of four women were to be included.[4] Tenure was for three years, one-third retiring each year. As with CHAC members could be re-appointed, but the maximum period of continuous service was limited to seven years. The first chairman and vice-chairman were to be nominated by the Department, and thereafter their successors by the Committee members. In the event, SHAC was chaired by a parliamentary under-secretary of state although that practice was abandoned in 1978 when the chairman of the Scottish Special Housing Association was appointed to the role.[5]

CHAC in the early post-war years, has been described as "dominated by people from local authority and housing trust backgrounds"[6]. Over the years the pattern changed and by 1974, shortly before it was abolished, CHAC had a membership

of twenty-three comprising three academics (two with housing research backgrounds), three architects, three housing managers, and three senior figures from the construction industry; two local authority members, and two building society officials; the Director of Rowntree Memorial Trust, a trustee of the Bournville Trust, an environmental health officer and one 'representative'[7] each of the Housing Corporation, the National Building Agency, the Central Council for the Disabled,[8] and the Supplementary Benefits Commission.[9]

The membership of SHAC, which in the 1940s was over thirty,[10] was in 1965 down to sixteen, six of them local authority councillors.[11] By 1975 when the membership had increased to nineteen - the number of local authority councillors was reduced somewhat to four[12] and among the remainder of the Committee, in addition to those from backgrounds traditionally included such as the environmental health and architectural professions, the building society movement, and the building industry there were now participants from three pressure groups - the Scottish Consumer Council, Shelter, and the Scottish Federation of Housing Associations, and also one from a tenant management co-operative.[13]

The Committees met on two or three monthly cycles, although in its latter stages meetings of CHAC were only being called as and when required. The general pattern however, was for specific inquiries to be carried out by sub-committees which

normally included several co-opted members.[14] The first two reports produced by CHAC sub-committees in the 1940s were concerned with standards for the post-war housing programme - design standards for new housing, and standards for determining those existing houses which were unfit for human habitation.[15] A housing management sub-committee produced a series of seven reports in the period up until 1959, concerned with topics related to: access to, and allocation of, local authority housing; management problems of estates; and housing management in general.[16] Other sub-committees produced a report on aspects of flat dwelling in 1952,[17] and a further report on housing design standards in 1961.[18] Subsequently, under the Labour governments 1965/1970 sub-committees were appointed to inquire into: problems of tackling sub standard housing;[19] the needs of new and expanding towns;[20] and the role, financing, and co-ordination of housing associations.[21] And the report on another inquiry on housing management was published in 1969.[22]

Sub-committees of SHAC produced seven reports between 1944 and 1951, on topics which included design standards for the post-war building programme (parallelling a CHAC report previously mentioned);[23] housing for owner occupation; housing management, including allocation; modernising the existing private sector stock; and design and construction standards in non traditional housing.[24]

During the period of Conservative government from 1951 until

1964 the Scottish Committee was allowed to lapse and was not reconstituted until 1965. When in 1967, the publication of a SHAC sub-committee report on the older private sector housing stock [25] attracted considerable attention this fact was highlighted by Labour by way of a parliamentary question.

MR BUCHANAN[26] - "In view of the tremendous interest shown in the work of the Committee, why was it allowed to lapse for a period?"

DR DICKSON MABON (Joint Parliamentary Under-Secretary of State) "Our predecessors could answer that question. I am informed that the Committee was abolished in 1951 as an economy measure, but I suspect that it was not done for economy of costs but for economy of ideas".[27]

Between 1965 and 1980, in addition to the report just mentioned, a further eight reports were published under the auspices of SHAC: six of them following inquiries by sub-committees or, in one case, a working party; and two on academic research commissioned by the Committee. Topics covered included: the cost of private house building, and the demand for private housing in Scotland; local authority housing - management, allocation, estate environment; training for housing management; and assessment of housing needs.[28]

Of the inquiries conducted by SHAC over the period described, from the war years until 1980, only one, on assess-

ing housing needs, the last topic mentioned was initiated (in 1971) under a Conservative Secretary of State, and this was conducted by a working party.[29]

In March 1971 Julian Amery, Minister of Housing and Construction in the Conservative Government, in reply to a question as to CHAC's recent activities from A P Costain, a backbencher on his own side, reported:- that it had met only twice during 1970; that no reports had been published during 1970; that no sub-committees were currently sitting; and that the Committee's future programme would be discussed at a meeting scheduled for the next month.[30]

[A P Costain Member for Folkestone and Hythe - was chairman of Richard Costain Ltd, Building and Civil Engineering Contractors, from 1966 to 1969, and associated with the development of pre-stressed concrete production.[31] He followed up his question on CHAC with questions relating to the failure to achieve targets for the production of industrialised dwellings in the public sector, and on the adequacy of the staffing of the National Building Agency with regard to its capacity to assess industrialised house building systems.[32]]

The following May another Conservative backbencher, Geoffrey Finsberg, [33] inquired as to the outcome of the discussion and suggested that the Committee be asked to report on the potential for tenant involvement in local authority housing management "thus following the example of the Conservative

controlled GLC and the London Borough of Camden". He was advised by Paul Channon - Parliamentary Under-Secretary of State DoE - who replied that it had been agreed "that future meetings should be called as necessary to deal with specific housing matters". A further meeting had been arranged for July when the report of the Francis Committee on the Rent Acts [34] would be discussed. He parried a question from Reginald Freeson, Opposition spokesman on housing, as to whether there would be "a reduction in the number of meetings of this very important and helpful committee".[35]

Some two months later, in response to a further question from a Conservative backbencher, (Sir) Robin Chichester-Clark as to the future programme of the Committee, Julian Amery had nothing to add to his earlier statement. In reply to a further question from the same Member as to how many committees of his Department with builders serving on them as members had been closed down since the previous general election in June 1970, he reported that "the Housing Programme Working Party (had) been reconstituted as the NCC Standing Consultative Committee on Housing with (himself) as chairman.[36]

(Sir Robin Chichester-Clark - Ulster Unionist Member for Londonderry - an industrial consultant was, like Costain, associated with the building industry in his capacity as a director of Alfred Booth & Co.[37])

In February 1972 Costain asked the Secretary of State for the Environment to list the reports which had been published by sub-committees or working parties of CHAC in each of the last five years, and what action had been taken to implement these reports.[38] He followed this up eight days later with a further question asking the Secretary of State whether he would now make a statement on the future of CHAC, and on being told that meetings were held as and when required, suggested that the "many eminent men on the Committee - - - could be used more profitably if given the task of finding more land for house building". When Reginald Freeson intervened to inquire why the Committee only met when required and not on a regular basis as previously, Amery replied that he found "the Committee extremely helpful - - as a sounding board and for the discussion of problems such as the fair deal on rents and the report of the Francis Committee". The suggestion that the Committee might have a contribution to make on land availability was one which he proposed to pursue.[39]

Eleven months later another Conservative backbencher, Sydney Chapman, asked the Secretary of State for the Environment: to list the reports produced by CHAC during 1972 and 1973; what the Committee's programme of work was; and whether he would make a statement. Paul Channon who replied, stated that no reports had been published and that there was no fixed programme.[40]

[Sydney Chapman - Member for Birmingham, Handsworth was

another associated with the building industry, as an architect and consultant to the House Builders Federation.[41]

After the general election of February 1974 the recently appointed Labour Secretary of State for the Environment, Anthony Crosland, was asked by the Conservative spokesman on housing, Michael Latham, "how many times CHAC (had) met in 1973, and to the latest available date in 1974 - what reports were produced by working parties or sub-committees in that period; how many sub-committees (had) been set up since 1 March 1974, and what was their future programme of work". Reginald Freeson, by now Minister for Housing and Construction, who replied, intimated that the Government was considering the future role of the Committee.[42]

In response to a further question from Latham, shortly after another general election in October of the same year, Freeson indicated that the review was almost complete.[43] And, again in response to a question from Latham, announced in January 1975 that the Secretary of State had decided to disband the Committee. In his statement Freeson said - "This decision recognises the changes that have taken place since the Central Housing Advisory Committee was established in 1935, particularly in recent years. A pattern of increasing consultation, both formal and informal, with representative interests and persons of special knowledge in the housing field outside the Department, especially as regards research into housing issues is now clearly established and has proved its worth. Given this alternative approach, the

Committee's value has diminished to a point at which its future usefulness as a separate, statutory consultative body is doubtful".[44]

The following month during the Report stage of the Housing Rent and Subsidies Bill in the Lords, a clause was introduced providing for the abolition of the Committee. Baroness Young for the Opposition, while not opposing the amendment, sought an assurance "that there (would) be regular consultation with the people involved in housing". She pointed out that when the provisions of the Rent Act 1974 were being debated the previous summer it had been disclosed that these had not been discussed with members of the rents tribunals. She was raising these points "as extremely important matters of public policy" stating "if there is one thing we believe in, I think it is consultation; and government can proceed only by a degree of trust and understanding". Baroness Birk for the Government replied that there was "consultation between different bodies concerned with housing, such as Shelter; and - - - also consultation - - - with people who administer certain acts". But she rejected a request to provide a list of organisations which were consulted by the Government as a matter of course in housing matters.[45]

When the Lords' amendment was considered by the Commons later the following month, Michael Latham observed, that while he accepted that there were many other ways of consulting about housing; "at a stage of housing policy

when there (were) so many complexities and difficulties, it (was) an odd time to abolish a body which (had) done a great deal of useful work in furthering the housing discussion".[46]

In attempting to identify the factors which conditioned Crosland's decision to abolish CHAC it may be useful to examine his attitude to the Central Advisory Council for Education in England, which he had abolished when Secretary of State for Education in the 1960s. In a subsequent interview he explained that while he recognised that the Council had played an important role in documenting "the good and the bad of the system, and in particular in legitimising the radical sociology of the 1950s and the 1960s" in his view the latter objective had now been achieved. There was, he considered, in using committees, a danger of too many and too lengthy reports and they might slow up action. Although he agreed that there was a need for "independent critical intelligences at work on policy issues and that the civil service and ministers could not fulfil that function themselves - - - (he had) greatly felt the need for independent critical advice - - - it wouldn't necessarily come from government committees (and he had his) own informal group of personal advisors".[47]

Later, as shadow Secretary of State for the Environment, in the early 1970s, Crosland developed links with a variety of individuals and groups equipped to provide him with information and advice on housing needs and policy. His widow has recorded how "Soon after ten in the morning the

doorbell began ringing, the first of a battery of housing specialists - Shelter administrators, economists, people from tenants' associations, Labour councillors, Transport House advisors - - -".[48] And, he continued the practice of consulting outside specialists when he became Secretary of State for the Environment as his former Permanent Secretary, Sir Idwal Pugh has described. "I felt he didn't look on civil servants as his real advisors on fundamentals. He had a full life outside the office with advisors he respected".[49]

Richard Crossman, Minister of Housing and Local Government in the early years of Labour government in the 1960s, who mentions CHAC in his diaries, records no criticism of it, and as indicated earlier, several reports by CHAC sub-committees, the last to be produced, were commissioned by Crossman and the colleagues who succeeded him during this period. [Although Crossman, like Crosland, also made extensive use of outside advisors.[50]]

Lack of enthusiasm for CHAC on the part of the Conservative leadership was clearly evident in the early 1960s, the last inquiry for a Conservative government having been commissioned in 1959,[51] and may have been related to the increased dependence placed by them on private sector housing provision. Unlike Labour, they showed no inclination to give CHAC a wider remit - to deal with topics related to the private sector.

J B Cullingworth who served on both CHAC and SHAC and chaired sub-committees of both in the 1960s and 1970s, has suggested that a significant factor in the final decision to abolish the Committee was that "both political parties had had recent experience of it."[52] This somewhat cryptic comment undoubtably refers to the Cohen Sub-committee on the future of housing associations, and also possibly to a sub-committee, chaired by Cullingworth himself, which was asked to examine housing allocation procedures practised by local authorities. The former sub-committee having failed to reach a consensus, was relieved of its task, in July 1970, by the incoming Conservative Government.[53] The latter, in an outspoken report published in 1969[54], the last to be produced by a CHAC sub-committee, complained about its limited terms of reference and, touching on politically sensitive areas, argued that it had been asked - "to look at only one patch in a patchwork quilt - - -. We could not look at broad issues such as the relationship between council housing and owner occupation, or the impact of housing finance, subsidies and tax reliefs on the total housing situation".[55]

Certainly by the early 1970s the Conservatives' lack of enthusiasm for CHAC seems to have been increasingly shared by the Labour leadership. Opposition spokesmen showed no inclination to exploit the Conservatives' lack of utilisation of the Committee, and when they did make remarks calculated to embarrass their opponents it was in the context of issues raised by Conservative backbenchers and smacks of

reactive posturing. This latter evidence appears to indicate that although Crosland's arrival at the DoE brought the final thrust towards the Committee's abolition his selection for the post was not necessarily crucial to the eventual outcome.

As far as backbenchers were concerned there is little evidence of interest relating to CHAC from the Labour side by the 1970s and there was no adverse comment from that quarter when the proposed abolition was announced. Those Members on the Conservative side who had recently raised questions concerning the Committee were clearly, in the main, representative of the construction industry lobby and their moves to utilise its existence to exert pressures on ministers [another contributory factor to its abolition] were probably related to the fact that the level of public sector housing investment was at that time at the lowest level since 1948.[56]

The decision to abolish the Committee having been made, the arrangements for doing so suggest inter-party co-operation behind the scenes, although obviously Labour delayed the announcement until soon after the October 1974 general election in order to minimise any possibility of resulting political damage. The timing may also have been influenced by the desire to have the Committee off the scene at a time when a major review of policy on housing finance was about to be launched.[57]

As indicated earlier, when CHAC was abolished in 1975 SHAC

continued in existence. It is unlikely that there was any great pressure from elsewhere in government for the Scottish Office to follow suit at that time but several factors may have countered any inclination there was to do so. SHAC had, as mentioned previously, attracted favourable comment in 1967 when its report on the older private sector housing stock was published,[58] and the Scottish Office minister concerned had made something of a play of having reconstituted a committee which the Conservatives had ignored. Also, as the 1967 report had demonstrated, SHAC could be a useful vehicle for highlighting the extent and peculiar nature of the Scottish housing problem. But the most significant consideration was likely to have been the upsurge in support being experienced by the SNP which at the October 1974 election had increased the number of seats which it held from seven to eleven.

In November 1976 it was reported that two sub-committees of SHAC were in existence, one producing advice for the review of housing finance which was being undertaken,[59] and another conducting an inquiry into training for housing management.[60] A further sub-committee, the last before SHAC was abolished, was appointed to inquire into local authority housing allocation procedures in October 1978.[61] When announcing the intention to carry out this inquiry the Secretary of State said that he "would look to the committee for advice on the development of various aspects of housing policy following the Green Paper, Cmnd.6852[62] - - -(and he hoped) that before long agreement (could be reached, in

consultation with the committee, on other tasks that might be undertaken".[63]

The intention to abolish SHAC was announced by the Secretary of State, in the new Conservative Government, George Younger, when opening the debate on the Second Reading stage of the Tenants' Rights, Etc. (Scotland) Bill in January 1980. The decision had been reached "reluctantly" - to abolish the committee "which had fallen into virtual disuse under the previous Government - ".[64]

The response from Bruce Millan (Shadow Scottish Secretary) to the announcement was low key. Having pointed out that methods of allocation would be considered at the Committee stage of the Bill, he observed "many aspects were dealt with by the Scottish Housing Advisory Committee in a report a number of years ago. It is ironic that the committee is to be abolished by the Bill".[65]

Russell Johnston, responding for the Liberals, considered that the decision was "perhaps part of a quango bashing exercise, (he did) not see any other major justification. The committee (had) done a useful job and as (Bruce Millan had) indicated, it (had) contributed to the composition of good parts of the Bill. However, its disappearance (was) not perhaps the end of the world".[66]

As mentioned earlier Conservative Scottish Secretaries had shown very little enthusiasm for SHAC over the years and,

given the controversial direction that Conservative housing policies were about to take, its continued existence would be even less attractive. But, as Russell Johnston suggested, the final decision to abolish it was probably significantly influenced by the priority which was currently being given by government departments to eliminating as many quangos[67] as possible. An added stimulus in this connection may have been given to the Scottish Office by the intention, announced by Michael Heseltine, Secretary of State for the Environment, in September 1979, to abolish seventeen quangos sponsored by his department.[68]

NOTES AND REFERENCES - CHAPTER I

1. The Housing Act 1935 and the Housing [Scotland] Act 1935.

2. The Department of Health for Scotland was created in 1929 replacing the Scottish Board of Health. The powers of the department together with others of the Scottish Office were vested directly in the Secretary of State in 1939.

   Kellas, J.G. The Scottish Political System [2nd Edition], Cambridge University Press, Cambridge, 1975, p.30.

3. Ministry of Health [Central Housing Advisory Committee] Order 1935, and the Scottish Housing Advisory Committee Order 1935.

4. An arrangement of this kind was specifically provided for in the primary legislation.

5. 951 H.C. Deb. 5 S Cols.208 - 209

6. Dunleavy, P., The Politics of Mass Housing in Britain, 1945 - 75, Clarendon Press, Oxford, 1981, p.19

7. Members were not in fact appointed as 'representatives' but as individuals.

   876 H.C. Deb. 5 S Cols. 580 - 81

8. The Chronically Sick and Disabled Persons Act 1970 [Sec.10] required that in the appointment of persons to be members of CHAC or SHAC regard should be had to the desirability of the Committee including one or more persons with knowledge of the housing needs of the group and to the person or persons being themselves chronically sick or disabled.

9. 876 H.C. Deb. 5 S Cols. 580 - 81

10. Listed in the SHAC report Planning Our New Homes [1944] See note 23 below.

11. 713 H.c. Deb. 5 S Cols 82 - 83

12. The reduction in the number of local authority councillors from 6 to 4 was possibly associated with local government re-organisation in 1975. Under the former system burghs, counties and counties of cities appear to have had 2 'representatives' each and under the reformed system regions and districts a similar representation.

13. 951 H.C. Deb. 5 S Cols. 208 - 209

14. 814 H.C. Deb. 5 S Cols. 95 - 96

15. Ministry of Health, Design of Dwellings H.M.S.O., 1944
-do- Report of the Standards of Fitness for Human Habitation Sub-Committee H.M.S.O., 1946

16. -do- Housing Management: Second Report of the Housing Management Sub-Committee, H.M.S.O., 1945

-do- Selection of Tenants: Third Report of the Housing Management Sub-Committee, H.M.S.O., 1949

Ministry of Housing & Local Government, Transfers, Exchanges and Rents: Fourth Report of the Housing Management Sub-Committee, H.M.S.O. 1953

-do- Residential Qualifications: Fifth Report of the Housing Management Sub-Committee, H.M.S.O., 1955

-do- Unsatisfactory Tenants; Sixth Report of the Housing Management Sub-Committee, H.M.S.O., 1955

-do- Moving from the Slums: Seventh Report of the Housing Management Sub-Committee, H.M.S.O., 1956

-do- Councils and their Houses: Management of Estates: Eighth Report of the Housing Management Sub-Committee, H.M.S.O., 1959

17. -do- Living in Flats: Report of the Flats Sub-Committee, H.M.S.O., 1961

18. -do- Homes for To-day and To-morrow, H.M.S.O., 1961

19. -do- Our Older Homes: A Call for Action, H.M.S.O., 1966

20. -do- The First Hundred Families, H.M.S.O., 1965

-do- The Needs of New Communities, H.M.S.O., 1967

21. Department of the Environment and Welsh Office, Housing Associations - A working paper of the Central Housing Advisory Committee, H.M.S.O., 1971

22. Min. of Housing & Local Government & Welsh Office — Council Housing: Purposes, Procedures and Priorities, H.M.S.O., 1969

23. Dept. of Health for Scotland, — Planning our New Homes, H.M.S.O., Edinburgh 1944

-do- — Distribution of New Houses in Scotland, H.M.S.O., Edinburgh, 1944

24. -do- — Provision of Houses for Owner Occupation, H.M.S.O., Edinburgh 1946

-do- — Housing Management in Scotland, H.M.S.O., Edinburgh, 1946

-do- — Modernising our Houses, H.M.S.O., Edinburgh, 1947

-do- — Choosing Council Tenants, H.M.S.O., Edinburgh, 1950

-do- — Design and Workmanship of Non-Traditional Houses, H.M.S.O., Edinburgh, 1951

25. Scottish Development Department, — Scotland's Older Houses, H.M.S.O., Edinburgh, 1967

26. Richard Buchanan, Labour Member for Glasgow, Springburn

27. 741 H.C. Deb. 5 S Col. 1702

28. Scottish Development Department, — Allocating Council Houses, H.M.S.O., Edinburgh, 1967

-do- — Housing Management in Scotland, H.M.S.O., Edinburgh, 1967

-do- — Council House Communities: Policy for Progress, H.M.S.O., Edinburgh, 1970

-do- — The Cost of Private House Building in Scotland,* H.M.S.O., Edinburgh, 1970

-do- — The Demand for Private Houses in Scotland,* H.M.S.O., Edinburgh, 1972

-do- — Planning for Housing Needs: pointers towards a comprehensive approach,** H.M.S.O., Edinburgh, 1972

28. Scottish Development Department, Training for To-morrow, An Action Plan for Scottish Housing, H.M.S.O., Edinburgh, 1977

-do- Allocation and Transfer of Council Houses, H.M.S.O., Edinburgh, 1980

* Report on academic research.

** Report of a working party.

29. See note 28 above.

30. 814 H.C. Deb. 5 S. Col. 95

31. Who's Who 1976 p. 517

32. 814 H.C. Deb. 5 S. Cols. 95 - 96

33. Geoffrey Finsberg, Member for Hampstead, active in London local government and a member of Camden Borough Council, 1964 - 74. [Who's Who 1976 p.795.]

34. See Chapter V

35. 817 H.C. Deb. 5 S. Cols. 367 - 68

36. 820 H.C. Deb. 5 S. Cols. 471 - 72

The N.C.C. - the National Consultative Council for Building and Civil Engineering had established the committee to provide advice on the implementation of the Labour Government's commitment in 1965 to achieve a housing output of 500,000 per annum. 'Reconstitution' apparently involved adding members drawn from local authority and building society backgrounds. [Dunleavy, P. op. cit. p. 19]

37. Who's Who 1976 p. 433

38. 832 H.C. Deb. 5 S. Cols. 92 - 93

39. Ibid. Cols. 1427 - 28

40. 854 H.C. Deb. 5 S. Col. 337

41. Who's Who 1976

42. 874 H.C. Deb. 5 S. Cols. 131 - 32

43. 880 H.C. Deb. 5 S. Col. 225

44. 884 H.C. Deb. 5 S. Cols. 110 - 11

45. 356 H.L. Deb. 5 S. Cols. 1317 - 19

46. 887 H.C. Deb. 5 S. Cols. 232 -33

47. Boyle, E., & Crosland, A., in conversation with Kogan, M., The Politics of Education, Penguin Books Ltd., Harmondsworth, Middlesex, 1971, p.174

[The Central Advisory Council for Education [England & Wales] had the duty 'to advise the Minister on such matters connected with educational theory as they [thought] fit and upon any question referred by him to them, and produced the Crowther, Newsom, Plowden etc. reports].

48. Crosland, S., Tony Crosland, Jonathan Cape Ltd., London 1982 p.232

49. Ibid p. 266

50. See Crossman, R., The Diaries of a Cabinet Minister Vol. I Hamish Hamilton Ltd & Jonathan Cape Ltd., London, 1975

51. Homes for To-day and To-morrow, [The Parker Morris Report] concerned with design standards for houses and their equipment. See note 18 above.

52. Cullingworth, J.B., Essays on Housing Policy - The British Scene, Allen & Unwin Ltd., London, p.24 note 59

53. Housing Associations - A working paper of the Central Housing Advisory Committee.

Officials of the Ministry of Housing and Local Government had been instructed - "to prepare and submit directly to the main Committee a fact finding report based on the evidence gathered by their sub-committee, together with such tentative indications as officials might feel able to give of the conclusions which seemed likely to emerge from it". [Extract from foreword by the Rt. Hon. Julian Amery, MP, Minister for Housing and Construction, at p.III of working paper.]

See note 21 above for details of publication.

54. Council Housing: Purposes, Procedures and Priorities.

See note 22 above

55. Ibid. p. 4

56. Malpass, P., & Murie, P., Housing Policy and Practice, The Macmillan Press Ltd., London, 1982, Fig. 3.1 at p.50 [based on Annual Abstract of Statistics and Housing Construction Statistics.

57. Because of the political sensitivity of the housing finance issue - specifically mortgage interest tax relief for owner occupiers - this was subsequently expanded into a review of housing policy in general.

58. Scotland's Older Houses, 1967

See note 25 above

59. The Scottish Development Department initiated a parallel review to that being conducted by the Department of the Environment and similarly it was subsequently expanded to examine housing policy in general.

60. Training for To-morrow, An Action Plan for Scottish Housing, 1977

See note 28 above

61. Allocation and Transfer of Council Houses, 1980

See note 28 above

62. Scottish Housing - A Consultative Document, Cmnd. 6852, H.M.S.O., Edinburgh 1977 - The outcome of the Scottish Development Department's policy review referred to in note 59 above.

63. 951 H.C. Deb. 5 S. Col. 208

64. 976 H.C. Deb. 5 S. Col. 1246

65. Ibid. Col. 1262

66. Ibid. Cols. 1274 - 75

67. Quasi - autonomous non-governmental organisations

68. R.I.C.S. News & Appointments, October 1979

CHAPTER II - THE ENVIRONMENT COMMITTEE AND THE SCOTTISH AFFAIRS COMMITTEE - BACKGROUND

The establishment of the departmental select committees followed a report of the House of Commons Select Committee on Procedure published in July 1978[1] which described the existing select committee system as 'unstructured', 'unplanned', 'piecemeal', and 'patchy'. There had been pressure over a period of time for reforms which would facilitate a more effective role for backbench MPs both, from individual backbenchers of all parties and, from outside groups and individuals - the political parties, academics, etc. But it has been suggested that a number of factors combined to give this committee's report particular influence: the committee had a wide remit and it undertook its work thoroughly; its membership covered those who took both a traditional and, reformist view of the organisation and role of the House of Commons; the Conservatives on the committee tended to support proposals for reform because they were opposed by the Labour Leader of the House [Michael Foote]; backbench MPs had found themselves more influential during the 'hung' Parliament after 1976, when the Labour Government had been dependent on support from the Liberals; and with a general election in prospect both of the principal Parties included proposals for reform in their manifestos.[2]

The Environment Committee

The Environment Committee as originally constituted comprised eleven members, six Conservative and five Labour, from which a Labour chairman was elected. Although the

Committee experienced a high turnover in its membership during the first four years of its existence, when the two inquiries considered here were being conducted,[3] of the total of twenty-three members who served on it, nineteen had local government experience. A number also came from professions associated with housing and local government finance including accountancy, law, and surveying.

The Committee's first chairman was Bruce Douglas-Mann [Labour, Mitcham and Morden], a solicitor with considerable experience in housing both through involvement in local government and with Shelter. He was also an enthusiastic supporter of the select committee concept and hoped that the committees would be able to achieve a consensus of moderate opinion on as many issues as possible.[4] [It has generally been held that select committees should aim to produce consensus reports as these are likely to be more influential, although this view has not been shared by all MPs, a point which will emerge later.] Nicholas Scott [Chelsea], the senior Conservative member of the original Committee, also had a background in local government and was interested in housing policy.[5] When Bruce Douglas-Mann resigned from the Committee in February 1982 [after he joined the SDP] he was replaced by Reginald Freeson who had been Minister for Housing and Construction in the previous Labour Government. Nicholas Scott was appointed a junior minister at the Northern Ireland Office in November 1981 and his role as Conservative leader was taken over by Brian Mawhinney [Peterborough] who was to take a distinctly adversarial line when

drafts of the Committee's report on council house sales were being discussed.[6]

Apart from the adversarial line taken by Mawhinney the Committee had to cope with criticism of the select committee system from within its ranks and from those in influential positions outwith. David Winnick [Labour, Walsall North] who served on the Committee throughout the first four years was one of the twelve MPs voting against the establishment of the departmental committees in June 1979. Gerald Kaufman was another of those voting against. His opposition was to become particularly significant when he succeeded Roy Hattersley as Opposition Spokesman on the Environment in 1980. Kaufman had opposed the establishment of the committees on the grounds that "these committees obviously will evolve their own policies - - the coalition policies thus evolved will carry great weight, because the newspaper headline 'all-party committee proposed this or that' is a very great and potential pressure on any Government and any party - - inevitably these committees - - will buttress either the Government or Opposition by giving to one side or another a bi-partisan seal of approval - - I believe this is a very great power to put in the hands of nine, ten or eleven Hon. Members.[7] Specialisation would also he argued, lead to committee members dominating debates and, to civil servants attempting to utilise committees to influence ministerial decisions.

Both Kaufman, and Michael Heseltine - Secretary of State for

the Environment, evinced strongly adversarial styles in debates and the potential for consensus was further eroded by the controversial nature of the 'right to buy' provisions of the 1980 Housing Act and the severe cut-backs in expenditure on public sector housing. When Heseltine was called to give evidence to the Committee for the first time in April 1980 and asked about the implications of the Government's expenditure plans for the supply of public sector housing, his response was, that the plans represented the Government's estimate of what could be afforded, and he "did not think it useful to publish any material" on housing needs.[8]

The Scottish Affairs Committee

In addition to parallelling most of the functions of the DoE, the Scottish Office is concerned with such diverse topics as agriculture and fisheries, education, social work, home affairs, the health service, roads and transport, and industrial development. In recognition of its wide remit the Scottish Affairs Committee, as originally constituted, had thirteen members - seven Conservative and six Labour, the largest membership of any committee, from which a Labour chairman was elected. The Conservative members of the Committee were nominated but the Scottish Labour backbenchers held a ballot to determine their representatives. When the Committee was first established, at the time when there were forty-four Scottish Labour MPs, their were nineteen candidates for Labour's six places "reflecting a remarkable level of interest by people of varied seniority

within the Party".[9]

Throughout its existence the Committee's chairmen were all Labour. The first was Donald Dewar [Glasgow, Garscadden] who, by the time the Committee's inquiries considered here were conducted,[10] had become Shadow Scottish Secretary and had been succeeded by Robert Hughes [Aberdeen North], a former under-secretary at the Scottish Office, and subsequently by David Lambie [Cunninghame South].

Following the 1983 general election, perhaps because they were, as one commentator put it - "seeking employment for their hordes of backbenchers brought in with Mrs Thatcher's landslide"[11] the Government whips changed the ratio of Party representation and with the exception of the Scottish Committee, the number of members, so that all the select committees had thirteen members - eight Conservative, four Labour and one representative from the minority parties.

Given that at that general election the Conservatives won only twenty-two of the seventy-two Scottish seats not only was this development particularly frustrating for the Scottish Labour backbenchers but it also further aggravated a problem which had existed since the Scottish Committee was established. With, on average, anything up to ten of the Scottish Conservative MPs holding some form of office only about a dozen were left, not only to staff this Committee but to cope with Scottish legislative and other parliamentary work. It also meant of course, that some of the

Conservative members of the Committee were inexperienced.

The wide range of issues covered by the Scottish Office offers little scope for specialisation by Committee members, and in fact the Committee did not restrict its investigations to that area but examined other topics relevant to Scotland but not the direct concern of the Scottish Office, such as the future of the steel industry. This wide ambit coupled with the load placed on Scottish members and the fact that two hour evidence sessions made it difficult to give all participants an opportunity to ask questions led to requests from the Committee to be given powers to appoint sub-committees.[12] However, the Government resisted this suggestion on the grounds that such innovations would place an unacceptable additional load on the House, Ministers and civil servants.

In addition to the difficulties just discussed, the Scottish Affairs Committee also had characteristics which differentiated it from other select committees. These were associated with the existence of the Scottish political system comprised, in addition to its parliamentary element, of distinct party organisations, local government machinery, professional organisations, pressure groups, and the Scottish media. Scottish MPs operate within two environments, the parliamentary end of the Scottish political system and the Scottish end. The parliamentary environment is different from that occupied by other MPs because much of the Scottish MP's time is spent focussing on Scottish issues in

debates, committees and at Scottish Question Time. They constitute a comparatively small group well known to each other and accustomed to performing adversarial roles. These adversarial attitudes do not have the scope for dilution which the larger House of Commons community provides. As a result it is more difficult for them to adjust to a situation where reaching a consensus is generally viewed as being a desirable objective.[13]

This in turn may have implications for the selection of issues to be examined. While the potential difficulty of coping with controversial issues also exists for other select committees it is exacerbated in the case of a Scottish Committee and, if achieving consensus is perceived as being a primary objective, it would imply that it must attempt to select topics which are significant but do not have a high profile in Party terms.

Another factor is, that unlike the other Select Committees [with the exception of the Welsh] which, through their reports, are primarily concerned with influencing and informing opinion within the House, a Scottish Committee requires to project its reports outwards to the 'territorial' end of the Scottish political system. "The [Scottish and Welsh] Committees educate public opinion as well as reflect it, and they have a higher profile with their countries' media than enjoyed by other Select Committees".[14] The amount of time which the Committee spent in Scotland also suggests that members perceived it as important to keep

in touch with grass roots opinion.

The position with regard to manning the Scottish Committee which for the Conservatives had been difficult since 1983, became untenable after the 1987 election with only three backbenchers available, two of whom refused to serve.[15] And, as indicated earlier, no committee was established during the 1987 - 92 parliament. With a slight increase in available Scottish backbenchers as a result of the April 1992 general election, and with an injection of MPs from English constituencies with 'Scottish connections' the Government's intention to re-establish the Committee, first signalled shortly after the election, has recently been confirmed. It is proposed that it should have a membership of eleven - six Conservatives, three Labour [including the chairman], one Liberal Democrat, and one SNP.[16]

NOTES AND REFERENCES - CHAPTER II

1. HC 588 I 1977/78, First Report from the Select Committee on Procedure.

2. George, B., & Evans, B., in Judge, D., [Ed.] The Politics of Parliamentary Reform, Heinemann, London, 1983.

3. HC 366 I 1980/81, Council House Sales. Report by Environment Committee.

   HC 40 I 1981/82, The Private Rented Housing Sector. Report by the Environment Committee.

4. Reiners, W.J., in Drewry, G., [Ed.] The New Select Committees: a study of the 1979 reforms. Clarendon Press, Oxford, 1985.

5. Ibid.

6. HC 366 I 1980/81 op. cit.

7. 969 HC Deb. 5 S. Col. 174.

8. HC 578 I 1979/80 Environment Committee - Session 78/79, Enquiry into Implications of Governments' Expenditure Plans 1980/81 to 1983/84 for the Housing Policies of the Department of the Environment.

9. Dewar, D., in Drucker, H.M., & Drucker, N.L., [Eds]. The Scottish Government Year Book. 1981. Paul Harris, Edinburgh, 1980.

10. HC 112 I 1980/81, Housing Capital Allocation. Report by Committee on Scottish Affairs.

    HC 206 I 1983/84, Dampness in Housing. Report by Committee on Scottish Affairs.

11. 'Scotsman' 26.3.84.

12. HC 92 1982/83, The Select Committee System. Report by the Liaison Committee. p.15.

13. Kellas, J.G., The Scottish Political System. op. cit.

14. Hill, D.M., in Hill, D.M., [Ed]. Parliamentary Select Committees in Action: A Symposium: Strathclyle Papers on Government and Politics No.24, University of Strathclyde, Glasgow, 1984.

15. Sir Nicholas Fairbairn (Perth & Kinross), and William Walker (Tayside North).

16. 'Scotsman' 26.6.92.

SECTION II

THE PRIVATE RENTED SECTOR

INTRODUCTION

There have been four Committees of Inquiry exclusively or principally concerned with policy on the private rented sector in the period since the last world war:-

1. The Second Ridley Committee on Rent Control[1] - reported April 1945;

2. The Milner Holland Committee on Housing in Greater London[2] - reported March 1965;

3. The Francis Committee on the Rent Acts[3] - reported March 1971;

4. The Select Committee on the Environment - The Private Rented Housing Sector[4] - reported September 1982.

Major factors with which the inquiries have been concerned have been rent levels and security of tenure for tenants. Rent control for houses below a prescribed rateable value together with security of tenure was introduced in 1915 against a background of rent strikes on Clydeside, where tenants were claiming that landlords were exploiting the increase in demand for accommodation resulting from incoming armament workers pushing up rents to excessive levels. The operation of the rent control provisions was the subject of inquiries by the Hunter Committee in 1919[5] and the Salisbury Committee in 1920,[6] and although control had been intended as a temporary war time measure the prevailing market situation led to it being continued and extended to include 98% of the national housing stock in 1920.

In 1923 the Conservative Government, acting on the findings of the Onslow Committee, [7] which had concluded that control was impeding improvement in supply of rented property, introduced a system of 'creeping decontrol' whereby properties were released from control as they became vacant.

Eight years later, the Marley Committee[8] reported that the decontrol arrangements were having an adverse effect on the mobility of lower income groups. The National Government in 1933 reintroduced control for this group, maintained the existing arrangements for intermediate range housing and abolished control on the highest range.

In 1937 the findings of the First Ridley Committee [9] indicated that although there were geographic variations, the supply situation had improved, and the following year legislation was passed which lowered the rateable value ceiling determining the level at which the Rent Act applied and discontinued 'creeping decontrol'.

In 1939, on the outbreak of war, control was extended to include most of the private sector stock.

Section II - Introduction - Notes

1. Report of the Inter-Departmental Committee on Rent Control, Cmnd. 6621, H.M.S.O., 1945

2. Report of the Committee on Housing in Greater London, Cmnd. 2605, H.M.S.O., 1965

3. Report of the Committee on the Rent Acts, Cmnd. 4609, H.M.S.O., 1971

4. First Report from the Environment Committee, Session 1981 - 82, The Private Rented Housing Sector, H.C.40 - I, H.M.S.O., 1982

5. Report of the Committee of the Ministry of Reconstruction on the Increase of Rent and Mortgage Interest [War Restrictions] Oct. 1915, Cmnd. 9235, H.M.S.O., 1918

6. Report of the Committee on the Increase of Rent and Mortgage Interest [War Restrictions] Acts, Cmnd. 658, H.M.S.O., 1920

7. Final Report of the Departmental Committee on the Increase of Rent and Mortgage Interest [Restrictions] Acts, 1920, Cmnd. 1803, H.M.S.O., 1923

8. Final Report of the Inter-Departmental Committee on the Rent Restrictions Acts, Cmnd. 3911, H.M.S.O., 1931

9. Report of the Inter-Departmental Committee on the Rent Restrictions Acts, Cmnd. 5621, H.M.S.O., 1937

CHAPTER 111 - THE SECOND RIDLEY REPORT TO THE 1957 RENT ACT

The Second Ridley Report

The Second Ridley Committee [1] was appointed in November 1943 by the Minister of Health and the Secretary of State for Scotland. The terms of reference were "to review the question of rent control, including the working of the Rent Restrictions Acts, and advise whether any, and if so what, changes are necessary".[2]

The experience of the difficulties with the housing market after the first world war and the war damage to the existing stock in a number of urban areas must have made it obvious to the departments concerned that rent control would have to be continued into the post-war period. However, a major difficulty was perceived in the anomalies which had arisen as a result of the legislative developments in the inter-war period outlined earlier. Some rents had remained controlled since 1914 with only a 40% increase given in 1920 [intended in the main to reflect the increased cost of repairs]. Other properties had come out of control in the inter-war period but had been taken back into control in 1939. Dwellings built after 1919 had never been controlled until 1939. The outcome was widely varying rent levels for similar and neighbouring properties. Some politically acceptable mechanism had to be devised which would bring greater consistency.

The Inter Departmental Committee had a membership of 15. The chairman - Viscount Ridley - having chaired the previous inquiry in 1937 provided an element of continuity. Clearly with a view to achieving a broad political consensus, a high proportion - 7 of the 15 - were MPs; four Conservative, two Labour and one Liberal; covering constituencies from Glasgow - Gorbals to the English shires. The remainder included elected members and officials from local government, and representatives of the legal profession.

The Committee, having advertised and invited submissions from interested parties both through the press and radio, received a 'considerable amount' of written evidence. This was augmented in some cases by oral evidence - 51 witnesses being heard. Four days were spent in Scotland hearing representations from Scottish organisations.

On the future of control the report states - "the evidence we have received discloses practically unanimous agreement that rent control cannot be removed immediately and we are satisfied it must continue for some time after the war"[3] It was recommended that legislation should be framed in the expectation that it might be necessary to maintain control for ten years, although it might be possible to decontrol certain sectors more quickly. One point on which the committee was "emphatic"; and this is interesting in the light of subsequent developments; was that decontrol on vacant possession should not be re-introduced - "as the evidence [showed] that in the past this principle [had] been

responsible for many of the anomalies and hardships which [had] arisen".[4]

The Committee recommended that a system of rent tribunals should be established to determine 'fair' rents - "the task of determining 'fair' rents should be completed as soon as practicable say within three years of the passing of new legislation".[5]

Obviously anticipating opposition from the legal profession it is made clear that "in substance" the tribunals should deal only with the determination of 'fair' rents. "We regard it of the utmost importance at the present time that in general the mutual rights and obligations of parties should be decided by the regular and permanent Courts of Law".[6]

The rent control provisions did not in general apply to premises let as furnished accommodation and the Committee considered that to extend full security of tenure to this category - "would have the unfortunate consequence of drying up the supply of domestic lettings".[7] It was noted however, that in Scotland a system of rent tribunals had been established; under legislation introduced in 1943;[8] with powers to determine the rents of furnished lettings in those cases referred to them. The evidence, both from the Glasgow Rent Tribunal and officials of the Department of Health for Scotland, on the operation of the arrangement was favourable, and it was recommended that the scheme should be extended to the rest of Great Britain.[9]

Although local authorities in Scotland had powers to order the requisitioning of property where a tenant was evicted following a reference to a rent tribunal, these powers, [under the Defence Regulations] were limited in duration, and it was recommended that in future, throughout Great Britain there should be provision for limited security of tenure to be given where there was application to a tribunal, the tenant being entitled to retain possession for a minimum period of three months thereafter.[10]

The Committee was not prepared to recommend any general increase in rent to meet increases in costs of repairs. Although costs might have risen during the war they had fallen over the inter-war years from 1920; a flat rate increase would not be appropriate because of variations in rent levels for different properties; and there was "a considerable volume of evidence" that the earlier permitted increase had not been spent on repairs. Any increase to allow for an increase in repair costs should only be considered once the situation in the building industry had become clear, and a technical committee should be appointed to report on the question of the cost of repairs.[11]

While the Committee was in "general agreement" on most of its recommendations, and in "full agreement" on the establishment of rent tribunals, there were three issues on which three members of the Committee found themselves unable to concur with the majority and, as a result, adding a note of reservation. The recommendations they took exception to

were that:-

1. new dwellings built after the war should not be subject to control;

2. rent control provisions should not be extended local authority housing;

3. agricultural tied cottages and service houses should continue to be excluded from the provisions of the Rent Act.

The three members concerned were Charles Key, the Labour Member for Poplar; and two of the Scottish representatives, George Buchanan, ILP Member for Glasgow - Gorbals, and Councillor H T MacCalman, a member of the Glasgow Rent Tribunal.[12]

The report, having been published in April 1945 shortly before the end of the war in Europe and the general election in the following July, fell to be considered by the incoming Labour Government. Soon after his appointment as Minister of Health, Aneurin Bevan received questions from both sides of the house of Commons as to what action he intended to take to improve the rent control provisions, and as to what decisions had been reached on the Ridley recommendations. He replied that the matter was under consideration and he hoped shortly to be in a position to make a statement.[13]

In November 1945, Bevan announced that - "To give full

effect to the recommendations of the Committee would involve a complicated measure for which [he was] afraid, Parliamentary time [could not] be found [that] Session. The Government however, [had] decided to seek powers to control the rents of furnished lettings and of premises let with services and a Bill for that purpose [was] being introduced [that] day".[14]

During the second half of 1946 pressures from Labour backbenchers for extending security of tenure to furnished properties, and from the Conservatives for the establishment of rent tribunals to fix 'fair' rents to reflect the higher cost of repairs, were countered by the same type of response.[15]

At the end of 1948; three years after he had made his original statement on the subject; in response to a question as to when the Ridley recommendations would be implemented, Bevan replied that there was no early prospect for such legislation.[16] And, during the following year an act was passed extending control to premises let for the first time subsequent to 1939. This provision - because it applied to new premises, - running contrary to one of the recommendations.[17]

In May 1951, Hugh Dalton, Minister of Local Government and Planning,[18] announced that amending legislation relating to rent control was not likely in that parliament.[19] And the situation had not changed by the following October, when at

the general election Labour was defeated.

A number of factors seem likely to have countered any inclination within, or pressure upon, the Labour Government to introduce a 'fair' rent system. First - lack of uniformity in rents being paid does not appear to have led to any significant level of controversy on the part of tenants - possibly because of the impact of inflation on the general level of rents. There was therefore, no incentive for the Government to incur the adverse impact on its electoral vote, and the opposition of its own MPs, which any suggestion of higher rents might be expected to evoke at a time of acute housing shortage. [And electoral considerations were even more significant after the general election of February 1950 when Labour's overall majority was reduced to five]. Second - the adoption of a 'fair' rent system would have brought increased pressure from tenants for repairs and would have aggravated the problem of restricted resources in the building industry. Third - it was anticipated that there would be difficulties in achieving consistency in the determination of 'fair' rents throughout the country. Problems experienced in achieving consistency of annual rental values for rating purposes supported this view, and was to lead to the transfer of the responsibility for the work in England and Wales from local authorities to the district valuers of the Inland Revenue Valuation Office.[20] Fourth - there was clearly a degree of truth in Bevan's's claim of pressure on parliamentary time; the introduction of legislation on nationalisation, the national health service, town

planning and so forth, implied a heavy schedule.

While the Labour Government failed to introduce a 'fair' rent system for unfurnished tenancies it had, as previously indicated extended the powers for controlling rents for furnished tenancies, already operating in Scotland, to England and Wales - together with the associated rent tribunals. It had, in addition, provided for some limited security of tenure in the event of a referral to such a tribunal. This was all in line with the Committee's recommendations.

In failing to respond to pleas for security of tenure for such lettings on a par with unfurnished tenancies the Government did, of course, tacitly concur with the Committee's view. Indeed during the discussion on the provisions of the Bill on furnished lettings, in 1946, Bevan was quite explicit - "we must not introduce protection in such a way as to cause an immediate diminution of the amount of accommodation available".[21] Again, there was evidence of tacit acceptance of the Committee's recommendation in the failure to extend the provisions of the rent acts to local authority tenancies, and agricultural tenancies.

The Conservative manifesto for the February 1950 general election had accepted that rent control must be continued as long as there was a housing shortage but stated that a Conservative government would keep this matter under review.[22]

By the time of the October 1951 election and following the Conservatives' narrow defeat on the previous occasion, reference to any review of rent control had been dropped from their manifesto and a commitment adopted to achieve an output of 300,000 new houses per annum in England and Wales.[23]

Shortly after the 1951 election, questions were being addressed to Harold Macmillan, Minister for Housing and Local Government[24] in the new Conservative Government, by Labour MPs, as to whether he would make a statement on a proposal he had announced to review the rent restriction acts and, give an undertaking to consult all interested parties including tenants. Macmillan replied that the Government would consider the matter in due course and would consult all interested parties.[25] By the spring of 1952, he was making it clear to backbenchers on his own side that the Government was not committed to the introduction of legislation, or to a review.[26]

At the beginning of the 1952/53 Session Hugh Dalton, speaking from the Opposition front bench, pointed out that there was no mention of legislation on rent control in the Queen's Speech.[27] And later in the Session questions from backbenchers were tabled, concern being expressed on the Conservative side about the rising cost of repairs.[28] On the same issue in 1951, and subsequently in 1953, the Sanitary Inspectors' Association published reports describing the problem that local authorities were having in pressurising

landlords to carry out repairing obligations because of the adverse effect of rent control.[29]

In June 1953 Macmillan was still not in a position to make a statement on policy.[30] however, early in the following November the Government published a White Paper[31] in which it was announced that the target output of 300,000 new houses per annum for England and Wales was expected to be achieved that year, and attention could now be turned to the existing stock. A comprehensive plan was required involving repair, maintenance, improvement, and - where necessary - demolition. In order to protect essentially sound houses landlords had to be provided with sufficient finance to carry out repairs.

The White Paper contained: a description of how the necessary rent increases would be calculated; a justification for the approach adopted; and an explanation of how it was intended to ensure that the increases were spent on repairs. The Government founded its proposals with regard to the level of rent increases on two reports; the first, by the Royal Institution of Chartered Surveyors, [RICS], published in 1951[32], the second by the Girdwood Committee on building costs, published the previous month.[33]

During the debate on the Second Reading of the subsequent Bill - the Housing [Repairs and Rents] Bill- Henry Brooke, speaking for the Government, quoted from the RICS report - which he referred to as an independent and authoritative

statement - the opinion that - "However enlightened and conscientious a landlord [might] be it [was] impossible, in present circumstances for him to continue to make ends meet, and a great number of houses [were[increasingly and inevitably falling into disrepair".[34]

But with regard to the proposals, the most significant information contained in the report was that in 1939, when control had been extended to most of the private sector stock, the average annual expenditure on repairs had been equal to the 'statutory deduction' used for adjusting gross annual values for rating purposes to net annual values on which liability for rates was calculated.[35] This being the case, the report suggested that it would be reasonable to relate any increase given to reflect the rise in costs of repairs to the 'statutory deduction'. The Girdwood Committee had demonstrated that the cost of repairs had risen by three times between 1939 and 1953. The Government therefore proposed that landlords should be entitled to a rent increase equivalent to twice the statutory deduction. However, in order to qualify for the increase a house had to be fit for human habitation and be in good repair, and the landlord was required to demonstrate that a minimum amount had been spent on repairs over the previous three years. If the tenant considered that the house was in poor repair, application could be made to the local authority for a 'certificate of disrepair'.

In Scotland, where the approach to be adopted in England and

Wales, of utilising a multiple of the 'statutory deduction', was not available because of differences in the existing rating system, a 40% increase to the 1939 rent was to be adopted. This was justified on the grounds that because a smaller proportion of the stock had been decontrolled between the wars, there was less disparity in prevailing rents.[36]

Sir Austin Hudson, a Conservative member, who had served on the Ridley Committee, spoke during the Second Reading debate pointing out that only four of the original seven MPs involved remained in the House. He outlined the factors which had influenced the Committee; described how it was envisaged the 'fair' rent system would operate; explained why they had not recommended an increase at the time of publication of the report; and pointed out that the adoption of the device of a 'certificate of disrepair' to operate in conjunction with the 'fair' rent system had been among the recommendations.[37] Interest was expressed by some MPs but little, if any, awareness of the report's general contents was demonstrated.

Labour criticism of the proposals was fairly muted. Bevan, as principal spokesman for the Opposition, argued that the private rented stock should be municipalised. This would obviate the need for profit incentive and enable more of the gross rent to be spent on repairs. However, he accepted that if properties were maintained in good repair then higher rents would be justified.[38]

The changes introduced by the Bill made no provision for any increase by way of higher rents in the return on the capital employed by landlords in existing properties. [Although a new clause introduced at the Report Stage provided for the 'exclusion from the Rent Acts of Dwellinghouses erected or converted after the commencement of the Act'.][39] It had been made clear in the White Paper that the Government recognised that there was still a housing shortage, and while it continued to prevail decontrol could not be introduced.[40] The Government had considered the possibility of establishing rent tribunals to determine 'fair' rents throughout the sector, as recommended by Ridley, but had dismissed the proposal because of the scale of the administrative task involved and because it would mean establishing a parallel mechanism to that created in England and Wales [since Ridley had reported] by the Board of Inland Revenue for determining valuations for rating purposes.[41] It might be possible to relate 'fair' rents to rateable values but this could only be done when the re-valuation currently projected had been completed.[42]

The previous year the Labour peer, Lord Silkin, had also suggested that rents be geared to rateable values but he too had recognised that such a system could only operate once the re-valuation information was available. Silkin's assessment of the feasibility of determining 'fair' rents by tribunals highlighted the problem of achieving consistency between different tribunals. "They would have to work on some principle to enable them to carry out their task. If

you just left it to the tribunals at large, you would get an extra-ordinary series of anomalous results".[43]

There was obviously sufficient perception within the Conservative party of the political sensitivity of rent regulation in the private sector to lead to the amendments in the 1951 manifesto, and the relatively small Conservative majority in October 1951 was unlikely to encourage support for the adoption of radical measures. At the same time the emphasis placed on the pressing need for a higher output of new houses was difficult to reconcile with a policy of increasing rents and, certainly with allowing a free market situation to operate.

While there was both pressure and support from professional groups for measures to tackle the problem of disrepair there was delay in responding to this, partly because additional information had to be assembled but probably principally, because of the continue weakness of the building industry and the need to ensure that the manifesto new build commitment was not endangered.

As far as the possible adoption of a 'fair' rent system was concerned, this was clearly unlikely to appeal to a government in mid term, as the Conservatives were in late 1953/early 1954. Macmillan could emphasise the technical problems of doing so at this juncture, and point to bipartisan support for this view by referring to Lord Silkin's speech as he did when the White Paper was under considera-

tion in the Commons.[44] The introduction of a tribunal system for establishing 'fair' rents would also of course have entailed its abolition, with added potential for political embarrassment, in the event of a subsequent reversion to market rents. The intention to do so had been clearly signalled by the removal from control of newly erected and converted properties. This change, because it did not affect existing tenancies was less likely to lead to controversy but even so it was considered advisable to minimise the visibility of the action by introducing the provision when the Bill was at the Report Stage.

The 1957 Rent Act

In October 1954 Harold Macmillan was succeeded as Minister for Housing and Local Government by Duncan Sandys who continued in that post after the general election in May 1955. By December 1955 Sandys had announced to the House of Commons that the Government had intended to review the provisions on rent control,[45] and in November of the following year the Bill - which was to become the Rent Act 1957 - received its first reading. Unlike all the inter-war legislative innovations on rent control the drafting and introduction of the Bill was not preceded by an inquiry by an appointed committee. The associated White Paper[46] was restricted to statistical information and extended to three pages.

The Bill provided for houses having rateable values above

prescribed levels [£40 in London and in Scotland, and £30 elsewhere], being decontrolled after a 'standstill' period of six months; and for those below the prescribed levels being decontrolled as they became vacant.[Creeping decontrol']

In England and Wales the rents of houses remaining in control were to be related to their gross annual values. Twice the gross annual value where, as was usual, the landlord was responsible for repairs; with a higher multiplier two and one third , where the landlord was also responsible for internal decoration; and a lower, one and one third, where the landlord had no responsibility for the upkeep of the property. In Scotland, where rating revaluation had not as yet been carried out, landlords of properties in this category would be eligible for a higher repairs increase than previously or, alternatively, for a smaller increase which did not depend, as had been the case before, on the landlord demonstrating minimum levels of expenditure on repairs in preceding years. A tenant of a house remaining in control could, as previously, block a proposed rent increase by making a successful application for a 'certificate of disrepair'.

The rateable value ceiling determining properties remaining in control could be lowered by way of ministerial order. An order could relate to specific areas or have general application. [In the past any extension of decontrol had required the amendment of primary legislation.]

Enoch Powell who, as Parliamentary Secretary at the Ministry of Housing and Local Government, opened the Second Reading debate for the Government, referred to a study made by P.E.P. based on statistics from the 1951 census which, in conjunction with current housing statistics, indicated a need at the end of 1954 for a further 750,000 houses in order to bring overall demand and supply into balance. The provision of these additional houses could, he said, be predicted to be achieved by the end of 1957 when the Bill would come fully into force. And, he pointed out, this estimated requirement for new houses was the minimum figure on which the Labour Party was basing its policy for new housing output.[47]

Powell referred to two recent articles in the national press. The first - from the 'Manchester Guardian', which he described as presenting a useful summary of the evils of rent control. It claimed that rent control discouraged adequate maintenance, reduced the number of houses for let, encouraged the sale of those with vacant possession, encouraged under occupation and inhibited mobility of labour. The second - from the 'Municipal Journal', which described the prevailing situation as quite ridiculous and cited a specific example of houses lying empty in a crowded area of southwest London because the controlled rent inhibited them being let.[48]

There was, Powell argued, "injustice between tenant and tenant occupying identical property rented entirely differ-

ently for no reason whatever except for the vagaries of rent control. There [was] the injustice arising from the fact that there [was] no relation between the size of the property and its rent. There [was] the injustice arising from the landlord being called upon in many cases, by rent restrictions, to subsidise the income of tenants who [were] better off than they [were]".[49]

The Labour Opposition led by Gilbert Mitchison claimed that there was an inadequate supply of houses, particularly in London and the other big cities,[50] and challenged the Conservatives' assumption that the effect of new legislation would be to; improve the standard of maintenance; increase the supply of houses available for letting; and reduce under occupation. And, that it would not lead to excessive rents.

Despite the extent of the controversy over the Government's statistics and assumptions, and its limited ability to produce authoritative support for its case as demonstrated by the dependence Enoch Powell placed on press articles when opening the debate, there was no suggestion, either at this stage or during the Third Reading debate, that a committee of inquiry should be appointed.[51] There was some reference to the Second Ridley Report. One Labour Member used it during the Second Reading debate to challenge the prediction that the new measures would bring about improved levels of repair.[52] And another, at the Third Reading pointed to the fact that Ridley had stated that decontrol should only be

introduced when there was 'an adequate supply of houses throughout the country'. It had not said 'when there was assumed to be'.[53] There was also some reference to earlier committees of inquiry on rent control - to the Marley Report,[54] and to the First Ridley Report.[55] In particular, Duncan Sandys cited both when attempting to allay fears which had been expressed regarding the impact of the proposed block decontrol of houses with higher rateable values. "The best evidence [was] that the Ridley Committee which reviewed the whole problem again in 1937" - [following block decontrol in 1933 as advocated by Marley] - "recommended that a further slice should be decontrolled".[56]

There was no reference to the Second Ridley Committee having been strongly opposed to any re-adoption of 'creeping decontrol' in future; and this despite the fact that one of the Labour members of the Committee, Charles W Key, spoke during the Second Reading debate. Key, like a number of his colleagues, concentrated instead on attacking the scale of the consequent rent increases.[57]

In general the Opposition tended to focus its attention on what it anticipated as the major problem resulting from the Bill - the impact of block decontrol on the higher value houses and, as a consequence, to overlook the effect of 'creeping decontrol' at the lower end of the market.

There was criticism at the Second Reading stage from Tom Fraser, leading the Scottish Opposition, of the fact that no

provisions had been made for separate discussion of the specifically Scottish provisions of the Bill. He claimed that inadequate recognition had been given of the poor housing position in Scotland and backed this up with a reference to unfavourable comment on the proposals in a 'Scotsman' leader.[58]

The same theme was pursued during the Third Reading debate by another Scottish Labour Member - James McInnes - who pointed out that the P.E.P. figures on which the Government had founded did not apply to Scotland. The housing market in Scotland was, he argued, nowhere near approaching an equation between demand and supply.[59]

[The paucity of statistical information on the position in Scotland may help to explain why the higher rateable value ceiling for determining the properties remaining in control was adopted].

As mentioned earlier, the failure to appoint a committee to conduct an inquiry prior to the introduction of the Bill was a departure from the practice which had developed with regard to rent control legislation in the inter-war period. Again, a committee of inquiry had been appointed to address the problem which was perceived in the anomalies which had arisen in controlled rents of similar properties by the early 1940s. And, although the 1954 Bill was not preceded by an inquiry of a similar nature, committees[60] had carried out inquiries into maintenance costs, as recommended by

Ridley, and the Governments's proposals for rent increases were based on independent professional recommendations.

In short, all governments since the introduction of rent control intent on its amendment had deemed it advisable to secure independent legitimisation for their proposals.

What factors appear to have contributed to the form and timing of the 1957 Act and why was it not preceded by an inquiry? First - although no research had been carried out into its impact, the 1954 Act was perceived as having been unsuccessful. It had not brought about any significant increases in rent levels, nor improved levels of maintenance, nor increased levels of improvement because of the combined disincentive effects of the prior expenditure required to secure higher rents and the potential litigation associated with the right of access of tenants to 'certificates of disrepair'. Second - it was an important element of Conservative housing policy that private sector provision of rented housing be improved and expanded as soon as possible. Having achieved their target output of 300,000 houses per annum in England and Wales the Conservatives, in the mid 1950s proceeded to cut back on public sector output and on general needs building in particular. Local authorities 'should be encouraged in future to concentrate on slum clearance and overspill which only they can tackle effectively'.[61] In 1956 the general needs subsidy for local authority building in England and Wales was reduced and, from the end of the year, withdrawn altogether except for

the building of one-apartment houses.[62] [Although the general needs subsidy was reduced in Scotland it continued to be available. However, as in England and Wales it was building for slum clearance, overspill and labour mobility which was encouraged.]

Third - the results of the rating revaluation in England and Wales were now available and provided the basis for determining the rent levels of properties remaining in control. [Rateable values had been calculated at 1939 levels, i.e. on the basis of rental levels prevailing prior to the re-introduction of control. The cost of living was reckoned to have doubled between 1939 and 1956 - hence the rationale for the multiplier of 2.] The adoption of the rateable value basis was of course, in line with suggestions which had been advanced a few years earlier and had bi-partisan support.[63]

Fourth - the block decontrol proposed for the higher rented houses followed the pattern which had operated successfully in the inter-war years.

Fifth - the re-adoption of 'creeping decontrol' [contrary to Ridley's recommendation] was apparently justified on the grounds that it would bring new tenants of existing properties into line with tenants of new properties. [New properties of course, having been excluded from the provisions of the rent acts since 1954], and also on the grounds that it "was least painful - since it did not, or so it was thought, lead to evictions".[64]

Sixth - research capacity within the Ministry of Housing and Local Government was limited and fragmented and there was a negative attitude towards research at the top of the Department. Information on the true state and likely response of the market, which might have conditioned a different response on the part of ministers and civil servants was therefore unforthcoming. Although on this last point it should be added that there appears to have been a disinclination to take account of information which was available, and in particular, to take advantage of new techniques available for predicting household formation rates.[65]

Seventh - early introduction of the legislation was also perceived as important for political reasons. That increased rents were still regarded by the Conservatives as a sensitive issue is indicated by the fact that the intention to introduce further decontrol was not announced until after the 1955 general election. Clearly the earlier in its legislative programme the Government could introduce the proposed bill the less any adverse effect was likely to be at the next election.

This last point, together with the second mentioned, helps to explain why a committee of inquiry; which, given adequate terms of reference and a suitable membership might have helped to compensate for the lack of other research information available, and at the same time have facilitated a more informed debate; was not appointed. Such an inquiry was likely to take at least eighteen months. This

period, added to a six months 'standstill' initially proposed before the block decontrol became operative, would have taken the implementation of the resulting rent increases well into the last year of a five year parliament, and to the eve of a possible election in the autumn of 1959. [In the event, implementation was delayed due to an amendment forced on the government by its own backbenchers which extended the standstill period to 15 months.][66] In addition to the time scale considerations it was also possible of course, that such an inquiry would reach conclusions contrary to the government's intentions.

Labour's failure to raise the issue of a pre-legislative inquiry can perhaps in part be explained by its prevailing policy orientation on the private rented sector, which had been adopted in its manifesto for the 1955 general election.[67] This was that the sector should, in the main, be progressively municipalised. Decontrol in a private market was for Labour not an option; and therefore, a committee of inquiry with terms of reference so related was an irrelevance. Undoubtedly too it was content to rest with its traditional perceptions of the shortcomings of the sector.

The 1957 Act contained no provisions for security of tenure and this, as described in the next chapter, was to be a serious flaw. By contrast, legislation which had been introduced only three years previously - the Landlord and Tenant Act, 1954 - had [in Part 1] provided for security of

tenure for occupying lessees where long domestic ground leases [i.e. over 21 years] expired; and [in Part 11] for security of tenure for tenants of business premises. These provisions being accompanied in both cases by arrangements for mediation on a market rent.

While the Milner Holland Committee was to draw attention to this 'anomaly' when reporting in 1965,[68] Barnett has noted that the same point was made by "two of the RICS's most senior members"[69] in a letter to the 'Manchester Guardian' in April 1957. They expressed "surprise that this aspect of the Bill [had] received scant if any attention". And suggested it merited "serious discussion before the Bill [became] an Act"[70]. Barnett has also noted that, on the other hand, the RICS in its official memorandum to the minister on the Bill made no mention of security of tenure. And, he comments: 'A very cautious professional organisation confined itself to issuing - - - memoranda which evaded main issues however vital to the success of the Bill - - - their political sensitivities preventing comment on key clauses'.[71] [Although he does concede that the RICS would have recognised that such criticisms on key clauses were likely to be futile anyway after the Bill had been published.][72]

The question which suggests itself is whether representatives of professional bodies would have felt as inhibited if they had been giving evidence to a pre-legislative committee of inquiry, and whether, presented in such a form, such a

point could have been so readily discounted. The answer on both counts must surely be 'no'.

Again, had the legislation been preceded by such an inquiry announced before the Conservatives' policy on the public sector had become entrenched, and had the terms of reference assumed a degree of security of tenure coupled with some mechanism for arbitrating on rent; then it might be argued some common ground could have been found with the Opposition. Indeed, it seems surprising, albeit with the advantage of hindsight, that there appears to have been little or no appreciation that, other considerations apart, a reasonable degree of political consensus would be essential to market confidence. Although there was undoubted hostility to the private rented sector within the Labour Party, might it not have been possible to build on the consensus on 'fair' rents achieved by Ridley ten years before?

If rents were to be regulated below market levels and if at the same time supply was to be stimulated, then subsidies would be required. There was some precedent for Labour having accepted arrangements for the payment of subsidies to the private rented sector - subsidies introduced by a Conservative government in 1923, at a time of high construction costs, to encourage the building of private houses for rent having been continued, and indeed increased, under the succeeding Labour government.[73] Clearly it would be wrong to pursue that argument too far as the building industry in

the mid 1950s was in better condition than in the mid 1920s. However, while Labour in government would have been unlikely both on ideological and political grounds to reintroduce financial support for the sector they would not necessarily have felt obliged to abolish such a measure introduced by the Conservatives, particularly if it could be presented as bringing benefits to tenants. For example, Labour did not abolish the means tested rebates and allowances introduced by the Conservatives in 1972 although the legislation concerned - the Housing Finance Act - had been the subject of much controversy.

The subsidy available to the private rented sector in the mid 1920s had been parallelled by a similar one available to local authorities for general needs building and, precedent apart, undoubtedly any acceptance by Labour of assistance to the private sector would have been conditional upon the retention of the existing general needs subsidy, and the Conservatives would have had to accept a consequential increase in the size of that section of the public sector stock. [The Conservatives would in any event have doubtless recognised that some demonstration of equity of treatment between the sectors was necessary for political reasons.]

More fundamentally, the Conservatives of course would have had to recognise that universal subsidies continued to be necessary; or, perhaps more likely and more credibly, such subsidies in conjunction with means tested subsidies. And,

what is more, that under the prevailing arrangements, subsidies were not only being enjoyed by local authority tenants, but were also being paid to owner occupiers in the form of mortgage interest tax relief. Such recognition would have involved a modification of the prevailing perception illustrated by the following extract from their 1953 White Paper.

'Any increase in private enterprise house-building, whether for letting or for sale, would in some measure lighten the ever growing burden of housing subsidies which in the interest of the general body of tax-payers cannot continue indefinitely at the present rate.'[74]

Another contentious issue which would inevitably have arisen was that of rent levels in the public sector, with the Conservatives probably pushing for the extension of 'fair' rents to include it.

For there to be any prospect of the adjustment in views necessary to approach a consensus a committee of inquiry would have had to look not only at the private rented sector but also at the relationship between the sectors, and at the whole question of housing economics. [And this assumes a committee with sufficient initiative and of adequate quality.] This would require the adoption of a broader approach than had been previously expected from such inquiries, but an approach that was to be adopted by the Milner Holland Committee some ten years later.

This analysis might be criticised for concentrating on attitudinal change and for taking little or no account of more immediate political considerations. And given subsequent events; the refusal of Labour in 1965 to make subsidies available to the private rented sector, as Milner Holland had implied should be done [as an accompaniment to rent regulation];[75] and Labour's abolition on gaining power, of the provisions introduced by the Conservatives in 1972 for extending 'fair' rents to the public sector, it might be thought that, had such an inquiry been conducted in the mid 1950s, the outcome would have been little different.

However, had there been a more widespread understanding of the nature of the housing market and of housing economics at that time it might well have led to a less radical approach by the Conservatives to their housing policies. These policies were, in the main, to prove inadequate, but not before they had polarised attitudes to positions from which both parties would find it difficult to return.

At the same time, an examination of subsidy provisions before a combination of the expansion in owner occupation after the mid 1950s and rising interest rates made tax relief more significant, both economically and politically, might have led to arrangements which produced greater equity between the sectors and avoided a situation from which both parties have subsequently found it impossible to disengage, and which has inhibited the development of new policies.

Within a year of the 1957 Act having received the Royal Assent there were clear indications of mounting concern within Conservative circles at its adverse political consequences, evidenced by the introduction of the Landlord and Tenant [Temporary Provisions] Act 1958. Designed to cushion the full impact of the 1957 Act, it provided that, for a period of three years [i.e. until 1961] landlords could only obtain possession of decontrolled dwellings by court order, the granting of which a tenant could expect to successfully resist provided certain criteria were satisfied - including lack of availability of suitable alternative accommodation, and hardship resulting from dispossession. The following year the Conservatives' manifesto for the general election contained a commitment, that if returned to power, a Conservative government would not utilise the powers within the 1957 Act to release more houses from control.[76] At the same time the Labour Party in its manifesto was committed to the Act's repeal.[77]

In July 1969 an interim report on the results of research into the impact of the new Rent Act in England, commissioned by the Rowntree Trust was published.[78]
The report was based on the results of national sample surveys; one carried out in the summer of 1958, and a second in the autumn of 1959. The report concluded that the Ministry had considerably over-estimated the extent of decontrol arising in the case of properties above the prescribed rateable value levels and under-estimated the extent of decontrol arising as the result of the creation of

new tenancies below the prescribed levels; and that the latter category had become quantitatively more significant. While higher rents might have influenced landlords to spend more on repairs, insufficient was being done when account was taken of the backlog of disrepair, and of the average age of the properties concerned. The number of houses which had been improved by landlords was insignificant. There was no evidence that the provisions of the Act had had any effect on under occupation. Increases in rents did not conform to the pattern provided for by the Act; some rents remained at 1939 levels while those of some controlled properties were above the legal maximum. And, at the same time, the size of the private rented sector was declining rapidly as a result of slum clearance, acquisition by local authorities, and transfer into the owner occupier sector.

By the time the Rowntree Trust findings were published a White Paper entitled 'Rent Act 1957. Report of an Inquiry' had appeared.[79] And, to the extent that comparisons of the two reports was possible, there was a considerable degree of commonality of conclusion.[80]

The findings presented in the White Paper were based on a survey carried out by the Social Survey which had a poor relationship with the Ministry of Housing and Local Government and the White Paper was only published after the findings of the survey had been leaked to the Opposition, leading in turn to an embarrassing parliamentary attack.[81]

NOTES AND REFERENCES - CHAPTER III

1. Ministry of Health, Report of the Inter-Departmental Committee on Rent Control, Cmnd. 6621, H.M.S.O., 1945

2. Ibid. p.2

3. Ibid. para.17

4. Ibid.

5. Ibid. para.44

6. Ibid.

7. Ibid. para.151

8. Rents of Furnished Houses Control [Scotland] Act 1943

9. Cmnd. 6621 op. cit. paras.145 - 148

10. Ibid. para.151

11. Ibid. para.80

12. Ibid. p.p. 52 - 54

13. 413 H.C. Deb. 5 S. Col.830
414 H.C. Deb. 5 S. Col.2181

14. 415 H.C. Deb. 5 S. Col.598
The legislation referred to was The Furnished Houses [Rent Control] Act 1946. The Act provided for the establishment of rent tribunals in designated areas of England and Wales to determine reasonable rents for furnished properties. The areas were to be designated by the Minister after consultation with, or consideration of representations from, the local authorities concerned.

15. 424 H.C. Deb. 5 S. Col.2307 - 8
428 H.C. Deb. 5 S. Col.138

16. 457 H.C. Deb. 5 S. Col.196 - 7

17. The Landlord and Tenant [Rent Control] Act 1949. The Act also extended the provisions of The Furnished Houses [Rent Control] Act 1946 to the whole of England and Wales. Previously it had only applied in areas designated by the Minister. [See Note 14 above]. The tribunals established to deal with furnished premises were also to determine reasonable rents for the unfurnished premises now brought into control where there was an application by either landlord or tenant.

18. The Ministry had been created in January 1951 by merging the Ministry of Planning and the local government functions [including housing] of the Ministry of Health.

19. 487 H.C. Deb. 5 S. Col.992

20. The transfer was made in 1948

21. 418 H.C. Deb. 5 S. Cols.39 & 59

22. Craig, F.W.S. [Ed], British General Election Manifestos 1900 - 74, Macmillan, London, 1975. p.147

23. Ibid. p.172
[300,000 per annum was to be the target output for England and Wales, Scottish output was to be additional.]

24. The new title for the Ministry of Local Government and Planning adopted by the Conservatives to emphasise their commitment to the housing programme. [See 493 H.C. Deb. 5 S. Col.643]

25. 493 H.C. Deb. 5 S. Col.46
494 H.C. Deb. 5 S. Col.206

26. 497 H.C. Deb. 5 S. Col.190
498 H.C. Deb. 5 S. Col.105

27. 507 H.C. Deb. 5 S. Col.159

28. 508 H.C. Deb. 5 S. Col.137
511 H.C. Deb. 5 S. Col.1913

29. Sanitary Inspectors' Association; The Effect of Rent Restrictions on the Repair of Dwelling Houses, 1951; and An Enquiry into the Repair of Dwelling Houses, 1953

30. 516 H.C. Deb. 5 S. Col.49

31. Ministry of Housing and Local Government, Houses: the Next Step, Cmnd. 8996, H.M.S.O., 1953
[A parallel White Paper was produced by the Department of Health for Scotland - Housing Policy, Scotland, Cmnd. 8997, H.M.S.O., Edinburgh, 1953

32. Royal Institution of Chartered Surveyors, A Memorandum on Rent Restrictions and the Repair Problem, 1951

33. Ministry of Housing and Local Government, Report of the Committee of Inquiry on the Cost of House Maintenance, H.M.S.O., 1953
[A parallel report for Scotland was produced by a committee chaired by Lockhart W Hutson - Department of Health for Scotland, Increase in the Cost of Maintaining Houses; Report by a Sub-committee of the Scottish Building Costs Committee, H.M.S.O., Edinburgh, 1953.]

34. 520 H.C. Deb. 5 S. Col.246

35. The difference between 'gross' and 'net' annual values reflecting the landlord's estimated expenditure on repairs, insurance and management.

36. 521 H.C. Deb. 5 S. Col.821

37. Ibid. Col.831

38. Ibid. Col.826

39. 525 H.C. Deb. 5 S. Col.2121.

40. Cmnd. 8996 op. cit. para.27

41. Ibid. para.30

42. Ibid. para.31

43. 179 H.L. Deb. 5 S. Col.927

44. 520 H.C. Deb. 5 S. Col.181

45. 546 H.C. Deb. 5 S. Col.258

46. Ministry of Housing and Local Government and the Scottish Office, Rent Control - Statistical Information, Cmnd. 17, H.M.S.O., 1956

47. 560 H.C. Deb. 5 S. Cols.1759 - 60

48. Ibid. Cols. 1761 - 62

49. Ibid. Col.1763

50. Ibid. Cols.1770, 1780 - 81, 2937 - 38
In particular there is reference made here to the shortage of houses in London.

51. Ibid. Cols.1759 - 2062 and 567 H.C. Deb. 5 S. Cols.1362 - 1478

52. 560 H.C. Deb. 5 S. Col.1993

53. 567 H.C. Deb. 5 S. Col.1404

54. Ministry of Health, Report of the Inter-Departmental Committee on the Rent Restriction Acts, Cmnd. 3911, H.M.S.O., 1931

55. Ministry of Health, Report of the Inter-Departmental Committee on the Rent Restriction Acts, Cmnd. 5621, H.M.S.O., 1937

56. 560 H.C. Deb. 5 S. Col.2059

57. Ibid. Col.1804

58. Ibid. Cols.1964 - 65 - 66

59. 567 H.C. Deb. 5 S. Col.1383

60. See note 33 above

61. Ministry of Housing and Local Government, Report for the Year 1955, H.M.S.O., 1956 p.3

62. Duncan Sandys had announced the intention to abolish the subsidy in November 1955. [546 H.C. Deb. 5 S. Col.795]
Although it had not been continuously available and had varied in form over the years, a general needs subsidy had been first introduced immediately after the first world war. Local authorities had possessed powers since 1890, under the provisions of the Housing of the Working Classes Acts, to build houses to rent for the general needs of that section of the community, but it was not until 1919, with the passing of the Housing, Town Planning, Etc. Act [and parallel Scottish legislation] that Exchequer subsidies became available which encouraged local authorities to begin to make a significant contribution towards meeting those housing needs. The Acts provided for the Exchequer meeting all losses incurred in providing the houses apart from a small pre-determined contribution from the rates.

A number of factors appear to have influenced the Coalition Government in its decision to introduce the legislation. First - there was an acute shortage of houses and given the extremely high construction costs prevailing and the anticipation that costs would fall, the private sector could not be expected to build. Second - promises of improved housing conditions had been made to sustain the war effort in 1917. Third - there was a fear in the immediate post war period of civil disorder among unemployed elements of the recently demobilised army. The houses built under the provisions of the Acts were designed to standards recommended in the Tudor-Walters Report and were markedly better than much of the prevailing working class housing. However, in 1921, against a background of very high tender prices and of national economic difficulty, the subsidy arrangements were discontinued. [See Swenarton, M., Homes Fit for Heroes, Heinemann, London, 1981, for an excellent account of the factors influencing housing policy developments at this time].

In 1923 the Conservative Government which had succeeded the Coalition when it collapsed in October 1922, introduced a flat rate subsidy for general needs housing for the working classes. This was payable through the private sector for building for renting and owner occupation and, to local authorities. The latter were only eligible however, if they could demonstrate that the private sector could not adequately meet the needs

of their area. The subsidy was only available for houses built within two years of the passing of the associated legislation - The Housing Act 1923.

The Labour Government which came to power in 1923 did not abolish these subsidies but, extended the period for which they were available to fifteen years; introduced a new higher level subsidy - but only for building for rent; and removed the restrictions on local authorities. Although in order to qualify for the higher subsidy local authorities had now to make a mandatory contribution from the rates [Housing [Financial Provisions] Act 1924 and parallel Scottish legislation.]

In the late 1920s construction costs and interest rates were falling and the Conservative Government which had replaced Labour, began to reduce the level of the subsidies. The 1923 Act subsidy was withdrawn in 1929 and a further reduction in the 1924 Act subsidy was only arrested by the return of Labour to power in the same year.

In the following year the Labour Government introduced a new subsidy for slum clearance. [A slum clearance subsidy available under the 1923 Act had been little utilised, local authorities preferring to concentrate on expanding the existing stock rather than demolishing houses.] Labour made no further changes to the general needs subsidy but it was subsequently withdrawn in England and Wales in 1933 [and in Scotland some 2 years later] by the succeeding National Government. The Government also introduced a further 'specific subsidy' - for building for the relief of overcrowding - in 1935.

In 1944 a general needs subsidy was re-introduced by the Coalition Government but only for a 2 year period. However in 1946 it was made available on an indefinite basis by the Labour Government, and 3 years later [under the same Government] the term 'working classes' was deleted from the housing acts, removing all restrictions on local authority provision for housing needs.

When the Conservatives came to .power in 1951 with their commitment to an output of 300,000 houses per annum [in England and Wales] they increased the general needs subsidy to take account of rising construction costs.

63. 520 H.C. Deb. 5 S. Col.181

64. Barnett J.B., The Politics of Legislation - The Rent Act 1957, Weidenfeld & Nicolson, London, 1969 p.84

65. Donnison, D.V., The Government of Housing, Penguin, London, 1967 p.353

66. H.C.S.C. Deb. 1956 - 57 Vol.I Col.791

67. Craig, F.W.S., [Ed] op. cit. p.205
'Labour will therefore ask local authorities to submit schemes for gradually taking over and modernising rent-controlled property subject to fair compensation'.

The inclusion of the word 'gradually' is significant. There was clearly concern regarding the financial implications of the proposal.

68. Cmnd. 2605 op. cit. p.p.186 - 87

69. One of them, [Sir] Dennis Pilcher was to become a member of the Milner Holland Committee and be credited by Richard Crossman with subsequently making a significant contribution to the development of the concept of 'fair' rents and the mechanism for establishing them.

70. Barnett, J.B. op. cit. p.135

71. Ibid.

72. Ibid. p.136

73. See note 62 above

74. Cmnd. 8996 op. cit. p.17 para.91

75. See next chapter

76. Craig, F.W.S. [Ed] op. cit. p.218

77. Ibid. p.225
Labour also promised to introduce 'fair' rents with right of appeal to rent tribunals. Houses taken over by local authorities would be repaired and modernised, and subsequently let at fair rents. But this was a 'big job' which would 'take time'.

78. Donnison, D.V., Cockburn, C. and Corlett, T., Housing Since the Rent Act, interim report from the Rowntree Trust Housing Study, Occasional Papers on Social Administration, No.3, Codicote Press, Welwyn, July 1961.

79. Cmnd. 1246, H.M.S.O., December 1960

80. Donnison, D.V., et al op. cit. p.101

81. Barnett, J.B. op. cit. P.54

CHAPTER 1V - THE MILNER HOLLAND REPORT AND THE 1965 RENT ACT

The Milner Holland Report

The Milner Holland Committee was appointed in 1963 by the then Minister of Housing and Local Government, Sir Keith Joseph; its terms of reference being: 'to survey the housing situation in London with particular reference to the use, maintenance and management of rented accommodation, whether privately or publicly owned, and to the relations between the occupiers of rented accommodation and private landlords.'[1]

There has been evidence of increasing stress in the housing situation in London in the early 1960s. A press report in August 1960 referred to 'agitation and anxiety' which had arisen over London rents[2] and Donnison and Ungerson refer to television coverage of, and a general increase of media interest in homelessness in London in 1961.[3]

The intention to appoint a committee of inquiry was first intimated in a White Paper entitled 'London - Employment: Housing: Land',[4] published in February 1963 from which the following is an extract.

"Survey of Existing Housing - What can be done to help those families living in bad and over-crowded conditions while new houses and improvements are being pushed ahead? In the

short term, this is a problem of letting policies and priorities - making the best possible use of existing housing in conditions of scarcity. Three-fifths of the houses in London are either privately rented or owned by local authorities, but very little information is available on the way in which this accommodation is being used and managed. Complaints are made of unfair pressure on the tenants of some private houses; but to what extent this is happening is not known. It may be that more could be done to relieve some of the hardship experienced by a section of Londoners by a better use of existing housing. Some of the local authority houses are occupied by tenants who could, perhaps, fend for themselves and should be encouraged to do so, and thus make way for families who have to look to the local authorities.

The Government propose accordingly to arrange for a survey of housing to be carried out in London; and they think it would be most satisfactory if this survey were to be conducted by an independent committee, asked to report on the state of housing in London and in particular whether, given the scarcity, rented housing is being used and managed to its best advantage".[5]

Some five months later, on 22 July 1963, against a background of considerable media coverage of allegations of malpractice by landlords in the London area and the association of the name of Perec Rachman with the Profumo scandal, a debate took place in the House of Commons in response to

the motion put down by the Leader of the Opposition, Harold Wilson - "That this House deplores the intolerable extortion, evictions and property profiteering which has resulted from the Rent Act 1957, and demands that Her Majesty's Government takes immediate and drastic steps to restore security for threatened tenants".[6]

During the debate Sir Keith Joseph informed the House that, the previous autumn his department had initiated enquiries to try to establish the extent of the pressure to which tenants were being subjected but the results had been inconclusive, and it was because of this that the intention to appoint an independent committee of inquiry had been intimated in the White Paper published the previous February. "I hope that the House will consider that it is worth waiting the extra few weeks, because I am now in a position to announce that Sir Milner Holland, QC, has undertaken to chair this committee. I think the House will agree that that is a guarantee that the survey which will be made will be impartial and thorough. - - I do not think that we have lost any time, because over the last months my Department has been doing a lot of preparatory work which I hope Sir Milner Holland and his committee will find will help them forward".[7]

The Committee had a membership of twelve. Sir Milner Holland was a barrister and a former member of the Council on Tribunals. Its other members included: Sir Arthur Rucker, a former civil servant who acted as vice-chairman, and who had been principal private secretary to several Ministers of

Health in the inter-war years and, Depute Secretary at the Ministry of Health from 1943 to 1948 when that Department was still responsible for housing; two academics - David Donnison, Professor of Social Administration at the London School of Economics and later Director of the Centre for Environmental Studies, who had been involved in research on the impact of the 1957 Rent Act carried out as part of the Rowntree Trust housing Study mentioned in the previous chapter and [Sir] Claus Moser, Professor of Social Statistics at the LSE and later head of The Government Statistical Service; Reginald Allerton who had recently retired from the post of Director of Housing for the London County Council; [Sir] Dennis Pilcher, President of the RICS and later appointed Chairman of the Commission on New Towns; and Lewis Waddilove, Director of the Joseph Rowntree Memorial Trust.

The Committee was serviced by a research unit headed by Barbara Adams, a senior research officer seconded from the Ministry. Research was also undertaken on behalf of the Committee by the Social Survey - Central Office of Information. Three academics also provided a considerable degree of assistance - Adela Nevitt was closely involved in the preparation of a chapter of the Report concerned with the housing economics; and Christine Cockburn and John Greve, [both associated with Donnison and Waddilove through the Rowntree Housing Trust Study], investigated the policies pursued towards the private rented sector and the contribution made by it in large urban areas in several western

European countries and in the USA. John Greve also participated in research undertaken to assess the consequences of housing redevelopment and improvement activities.

During the summer of 1964, and prior to the general election in October of that year, questions were tabled by Labour MPs as to the progress being made by the Committee. In May the Minister was reported as not wishing to rush the Committee but anxious to have its findings as soon as possible.[8] At the end of June the Report was expected by the end of the year.[9] In mid July the Minister rejected suggestions that the Committee should produce an interim report prior to the general election because it considered it couldn't usefully do so.[10]

Sir Keith Joseph is on record as having - "at the first meeting of the Committee on 16 September 1963 - - - pressed for the production of a Report at the earliest possible moment."[11] That the Committee was in the event put under much pressure by the Conservative Government seems doubtful, but there is no doubt that the pressure increased when the Labour Government came into power.[12] In November 1964, Richard Crossman, by then Minister of Housing and Local Government, told the House of Commons that the Report was expected early in the new year.[13] By early December however, Crossman was disturbed to learn that it was not expected to be published in January or February and would as a result be too late for the introduction of his new rent bill.[14] Crossman was annoyed by the fact that publication

appeared to be being delayed as the result of Sir Milner Holland insisting on attempting to write the report himself.[15] It seems more likely in fact that the chairman concentrated on the drafting and re-drafting of the politically sensitive parts of the document.[16]

Describing events during the period prior to the publication of the Rent Bill, Crossman recorded in March 1965 - "Directly I became Minister I made contact with Milner Holland and got to know the individual members of his Committee, particularly David Donnison and Pilcher. I also took their advice at length, not only about the Bill in general but about the 'fair'-rent clause in particular, and as a result I was able to persuade them to change their publication plans. Instead of waiting till summer to publish their Report they agreed to get it out as matter of urgency <u>before my Bill</u> even though this meant printing each chapter as it was finished. Everybody now realises that the Milner Holland Report and the Crossman Bill are parts of a single operation".[17]

The Report was published on 11 March 1967 and in time for the Second Reading stage of the Bill. In its preparation the Committee had aimed to produce a document of readable length which would at the same time provide an adequate description of a complex situation. The Report, excluding appendices containing details of the research and background information, extends to thirteen chapters. What the Committee describes as the 'factual heart' of the Report is

concerned with the housing situation in London; the incidence of housing stress and shortage; the condition of the stock; the characteristics of landlords in the public and private sectors, their management practices, attitudes and intentions, and the tenants' perceptions of their landlords; the incidence and nature of abuses practised by landlords; the implications of insecurity of tenure; and conditions and practices specific to coloured tenants and coloured landlords.

The remainder of the Report contains sections dealing with: the economic, social, environmental and legislative factors impinging on the housing market in the London area in the period since the second world war; the impact of redevelopment and improvement activity on the housing opportunities of various groups; evidence from international comparables; 'some popular hypotheses' as to the cause of the housing shortage in the London area; and a development of the Committee's conclusions.

The findings are based on: research carried out by - the Social Survey, the research unit attached to the Committee, and by Cockburn and Greve; information from the 1961 census and from local authorities - particularly London County Council; written evidence both solicited and unsolicited; oral evidence; and field visits. The Social Survey undertook a tenant survey and a landlord survey; the properties involved in both cases being the same as those covered in an earlier survey carried out by the organisation in 1960.[18]

And the research unit attached to the Committee, in addition to processing the information from other sources, undertook a survey to assess the extent of abuse.

As previously mentioned Cockburn and Greve conducted the research overseas and the latter, in conjunction with the research unit, investigated the impact of redevelopment and improvement activity.

Emphasis is placed on ensuring the integrity of the research and other evidence - - - "we have tried to rest our Report wholly on factual material, to select only the most reliable sources, and ignore guesswork and unsupported opinions. Where we have had to form a judgment on a balance of probabilities, the grounds of the judgment are so far as possible stated and explained".[19]

Where opinions are expressed they are carefully balanced eg. - "insecurity of tenure constitutes a widespread source of hardship and anxiety. On the other hand nothing in the evidence leads us to the conclusion, and we do not intend to convey the impression, that the generality of landlords in London are behaving unreasonably or callously. Any such inference from our material would be both unfair and untrue. - - We have been told of many cases where landlords have themselves provided alternative accommodation or gone to a great deal of trouble to assist tenants to find new homes where tenancies have been brought to an end, even though they had no legal obligation to do so".[20]

The Committee's terms of reference required it to carry out a fact finding exercise and it was not required to make recommendations - a point that had been underlined by a Conservative minister in answer to a parliamentary question in May 1964.[21] As it transpired however, and as is made clear in the introduction to the Report this narrow task definition was to be effectively ignored - "We were neither required nor authorised to make recommendations; and policies for the solution of London's housing problems must be the responsibility of Government. Nevertheless, some facts as we see them point irresistibly in particular directions; and if directly or indirectly, we seem to have exceeded our terms of reference, we offer no apology".[22]

The economic factors affecting organisations and individuals contributing to the several sectors providing the rented housing stock within the capital - local authorities, housing associations, and private landlords, are examined. Local authority tenants it is noted benefited from exchequer subsidies, and also in most areas, from a further subsidy from rate fund income. But, because exchequer subsidies were related to investment by authorities in housing provision at varying points in time since immediately after the first world war, and because rental incomes had risen as a result of inflation, the current level of subsidies received by individual authorities did not necessarily reflect the balance between current commitments and resources.

Housing associations operated under restrictions which could

make it difficult if not impossible for them to pool their rental incomes from different estates and so operate a uniform rental policy. And, the tax provisions applying to housing associations, and their consequences for their tenants were less favourable than those applying to owner occupiers.

With regard to the private rented sector the Report observes - "In the post war period the tendency for companies to move out of residential property and into commercial property has been greatly accelerated by the continued existence of rent controls and the political controversy which has surrounded housing".[23] As with housing associations, private landlords were in a relatively disadvantaged position when national taxation provisions were considered. They were required to pay tax on funds allocated to the amortisation of loans, and to provision for depreciation. This latter point being particularly significant when short life improvements were considered. And, unlike local authority tenants and owner occupiers who both benefited from assistance with housing costs, the former by way of specific subsidies and the latter by way of tax concessions on mortgage interest payments, tenants of private landlords received no support. While the existence of tax concessions made it cheaper to buy a house than to rent it, increasingly the tenants of private landlords were drawn from those sections of the community on average or below average incomes. Moreover, stimulating the expansion of owner occupation could aggravate the problems of those unable to gain

access to that sector by accelerating the transfer of stock from the privately rented sector.

The information stemming from the research carried out overseas[24] showed that all the urban areas considered had larger proportions of privately rented housing than did London. And, while in London that proportion was shrinking, in the other areas it was generally growing or holding its own. The governments in most of the other countries involved gave greater encouragement to the private rented sector. Nearly all provided loans or subsidies to private landlords and in most cases tax exemption was available for depreciation funds. At the same time, most of these governments were more interventionist in the sector - in regulating and reviewing rents, providing for security of tenure, and controlling the distribution of privately rented housing; and had established associated tribunal mechanisms.

The populations in and around large industrial cities of industrialised countries were growing as employment opportunities increased, and those attracted were predominately in age groups which would contribute to natural population increase. There was a growing incidence of service industries in central areas which were labour intensive across a large range of income groups and there was acute competition for the available residential accommodation in such locations, predominately privately rented, between households of varying sizes, age groups, and income levels. In London

the position was particularly problematic because family households found difficulty in moving further out to more suitable accommodation and, because of the rapidly declining number of dwellings in the privately rented sector.[25]

The following is an outline of the Committee's principal conclusions, and recommendations - explicit or implicit.

1. For the reasons described above there was an acute shortage of rented housing in the capital and the supply of privately rented housing had diminished and was continuing to diminish although there was no shortage of accommodation at rents above £400 per annum.
2. While there was under-occupation among tenants of controlled properties, as there was among owner occupiers, the lack of alternative accommodation of suitable size contributed to this situation as much as rent control. There was far less surplus space in public sector housing then there was in the private sector.
3. Local authority tenants were heavily concentrated in the income groups around and below the average for wage earners in London. Very few local authority tenants would be able to afford access to owner occupation in the London area.
4. Although abuse by private sector landlords was experienced by only a small proportion of tenants such cases were by no means isolated, and appropriate legislation should be introduced to eliminate such practices.

5. Hardship and anxiety were caused by lack of security of

tenure in the privately rented sector and it was a more serious factor than abuse by landlords. "It is perhaps anomalous that while other forms of tenancy - business, agricultural and almost any tenancy other than residential - have long enjoyed the protection of security of tenure in some form, accompanied by a proper system for ascertaining the current rent, no analogous security is given to private residential tenancies except in the limited and diminishing field remaining in control. The matter of granting it an whether it should apply to the whole field of private tenancies or only that part in which there is a shortage would be matters to be considered".[26]

6. If security of tenure was to be introduced then it must be accompanied by provisions for rent regulation and review. "Nearly fifty years of rent controls originally imposed as a short term remedy have masked the true cost of housing and the cost of maintaining it. Neither a policy of rigid rent restriction without any mitigation of its adverse effects on the provision and maintenance of rented housing; nor a policy of piecemeal and haphazard decontrol unaccompanied by any provision for security of tenure, have led to any real relief of the stresses on London housing".[27]

7. The national taxation system was a disincentive to the provision of rented accommodation by private landlords, and had an adverse effect on tenants, particularly in low income categories. The mechanism for allocating exchequer subsidies to local housing authorities should be reviewed, as should the legal and financial arrangements applying to housing associations.

8. Policy which was likely to have the greatest hope of success in tackling the housing problem in London would aim to harness the potential of the privately rented sector in parallel with that of other sectors.

9. If the private rented sector was to be revived all hazards of political uncertainty surrounding it must be removed; owners allowed an economic return; and financial and fiscal policy revised.

10. "Success [depended upon] a comprehensive grasp of the whole housing situation and the part that each sector of the market [played] within it, based on appropriate and up-to-date information; an objective appraisal of [the] situation purged of irrelevant prejudices against landlords, tenants or other groups in the population; a recognition that the housing problems confronting great cities [would] not be resolved by market forces or by the provision of more houses alone, but[were] of a long term if not permanent character - - - ".[28]

11. Careful consideration should be given to a sugges tion which had been made, and which the Committee favoured, to designate 'areas of special control' where bad housing conditions were concentrated, and to establish ad hoc authorities in such areas with powers to control sales and lettings, carry out redevelopment or achieve improvements using where appropriate compulsory powers and/or higher levels of grant.

12. If measures to tackle the London housing problem were to be successful then they would have to be designed and applied on a 'Londonwide' basis.

13. Strong and capably manned intelligence units should be maintained at both central and local levels with an ability to collect and collate information on housing from all aspects. Once an appropriate capability had been established the situation should be continuously monitored. "It would then be unnecessary to call into existence a fact-finding committee such as ours with all the difficulties inherent in a rapidly assembled ad hoc enquiry of the nature we have undertaken".[29]

Reaction to The Report, and the Labour Government's Legislative Proposals

Richard Crossman on receipt of the Report considered it - "extremely good"[30] and on the day of publication in response to a parliamentary question described it as - "a document of great social importance. - By setting a penetrating and deeply moving account against the background of an analysis of a mass of statistical and other material, the Committee [had] made a major contribution to the better understanding of the effects of the housing shortage upon the Metropolis".[31]

John Boyd-Carpenter for the Opposition, after pointing out that it was a Conservative government which had appointed the Committee, observed that it had - "done a very important job of work as was apparent from even a superficial reading of the very massive Report". And he intimated that the Conservatives would welcome an opportunity to discuss it in due course.[32]

Late in February Crossman had discussed the progress and presentation of the Rent Bill with the Prime Minister, Harold Wilson, and the former had indicated he thought it unlikely that the Conservatives would vote against the Second Reading of the Bill; contrary to what Wilson had hoped. Given the small size of the Labour majority[33] Wilson anticipated that it would be necessary to hold another general election before long but was anxious to delay it, possibly until May of the following year. And in the meantime, he wished to present the Opposition in as poor a light as possible. He therefore proposed to Crossman that in preparing his White Paper[34] he (Crossman) should draft a document which forced the Conservatives to vote against the Bill "by describing the inequities of the Tory Rent Act and the need to repeal it".[35]

When Crossman subsequently received the Milner Holland Report he considered "that [he] could look forward to the publication of something which would bluff the Tories and force them to vote against the Second Reading of [his] Bill".[36] The White Paper, in the preparation of which Crossman took "tremendous trouble", and which provided an exposition of the Bill which he considered "both intelligible and highly political",[37] includes a section on the Milner Holland Report. The final paragraph reads - "The Report fully confirms the Government's view that in the conditions of shortage found in Greater London and in other main centres of population - though information about conditions outside Greater London is less specific - legislation

is urgently required to restore security of tenure and to regulate rents".[38]

Crossman suggested to the Prime Minister, on the recommendation of his private secretary, that Milner Holland should hold his own press conference on the publication of the Report; that the Report should be debated in the Commons a week later; and the Second Reading debate should follow ten days after that. "That gives us two bites at the cherry".[39] The pattern of events which emerged was on those general lines. The Report, having been published on 11 March 1965, was debated in the Commons on the 22nd of the month, and the following day Crossman held a press conference to explain the details of the White Paper and of the Rent Bill.

The Bill provided for returning security of tenure to properties decontrolled by the provisions of the 1957 Act, and for freezing the rents of such properties until 'fair rents' could be determined by a new two tier regulation mechanism, involving rent officers at the lower level and right of appeal to rent assessment committees at the higher level. Those properties which had not been decontrolled in the past, because they were below the prescribed rateable value ceiling, would be decontrolled, but not until a later date so as not to overload the regulation mechanism. In the meantime, individual properties in that category would become subject to regulation if vacated by the tenant.

Also, on the lines recommended in the Milner Holland Report, the Bill made it an offence to intimidate tenants who were legally entitled to occupy the properties in question. As mentioned previously, Crossman had consulted individual members of the Milner Holland Committee over details of the Rent Bill. And Donnison had participated on one of two advisory groups of outside experts which Crossman had established to assist with the preparation of the Bill.[40]. Subsequently Crossman disclosed that - "The 'fair-rent' clause and the machinery of rent officers and rent assessment committees was almost entirely the invention of Pilcher and Arnold Goodman and his friend Denis Lloyd".[41]

The day after the press conference Crossman presented his proposals to a meeting of the Parliamentary Labour Party. Recording the event he commented - "fifty or sixty turned up to hear me particularly on Clause 22". [The 'fair-rent' rent clause] - "It was obvious from the morning's discussion that this 'fair-rent' idea was regarded as highly dubious and I shall have a very rough time in Committee, fighting for it against my own back-benchers".[42]

The Conservatives elected to devote a Supply Day to debate what John Boyd-Carpenter, opening for the Opposition described "as this extremely important and most interesting Report".[43] He was "immensely impressed with the care, skill and attention which the very distinguished team appointed two years ago by [Sir Keith Joseph] [had] given the subject". "Impressed and grateful at the speed with which

they had conducted so thorough and detailed a review"; and "impressed by the admirable language of the Report".[44]

There were two points Boyd-Carpenter wished to make clear at the outset. First - it was not the case, as the Prime Minister had claimed in a recent speech, that the appointment of the Committee was the result of the debate on Rachmanism in July 1963 which Labour had 'forced on' the Conservative government. The appointment of the Committee, he pointed out had been foreshadowed in the White Paper "laid in February 1963, four months before the Rachman debate".[45] Conservative policy on the issue had been consistent - "an effective expert and highly intelligent committee" had been appointed and the Conservatives had been committed in their election manifesto to providing additional safeguards for London tenants if the Report showed this to be necessary.[46]

Second - the Report related to Greater London, and to Greater London only, and as made clear at the outset of the Report - "any attempt to draw inferences from it as to the situation outside the London area would be wholly unjustified, since conclusions drawn by such a method would be unsupported by any evidence".[47] It followed, Boyd-Carpenter argued, that Crossman could not utilise the Committee's findings to justify the imposition of rent control outwith London.

Further, the Report gave no support to doctrinaire views at either extreme. The problems could not be solved solely by

dependence on the market or by the application of controls. Abuses, high rents and malpractices all arose from one fundamental cause, the shortage of houses. "London's housing problem, like coronary thrombosis [was] a disease of prosperity".[48] [And the prosperity was by implication a by-product of thirteen years of Conservative government.] The only remedy in the long term was the provision of more dwellings. He suggested that residential densities in central areas would have to be increased and more high rise building encouraged and the possibility of redeveloping sites currently in other uses considered.

If in the present situation, as the Committee evidently felt, some additional security of tenure was required, then measures must be taken to counter the adverse effects. There could not be security of tenure without rent control but the level at which rents were fixed would critically influence the willingness of landlords to provide accommodation. What he had in mind was a - "level which [gave] a fair return to the landlord for the money invested in the property, without involving any element of exploitation or scarcity"[49]

It was also important that the adverse effects of control should be compensated for by the measures which the Committee had suggested - changing the fiscal arrangements applying to landlords and making other "financial adjustments" such as were made in other countries.[50]

He drew particular attention to the Committee's emphasis on the need to harness the potential contribution from both public and private sector providers of housing to rent. "Though no one who [had] served in the Treasury [breathed] the word 'subsidy' without a certain shudder, it [might] well be that if further restriction [were] thought right to be imposed on landlords in London, and, if the House [accepted] the Committee's view that it [was] only by keeping the private sector in operation that the problem [would] be solved, the least expensive course in the end [might] well be to consider some help in that way".[51]

In response to laughter from Labour Members he pointed out that such was the practice "of a number of our European friends, by no means all of them under Right-wing Governments".[52] If one accepted the Committee's reasoning then one was faced with accepting something of that nature was also necessary to restore confidence among investors. For the Government to respond in such a way would demonstrate that it had abandoned the old attitude of the Labour Party under which all landlords were viewed as pariahs. He quoted from the Report in reference to the Committee's appeal "for a common approach to the problem and for a fully considered development of policy based on an understanding of the whole housing situation and purged of irrelevant prejudice against landlords, tenants and any other groups of the population".[53] He knew that both sides had prejudices on the issue which were sometimes rationalised into principles but the problem would not be resolved if there was an

insistence on stirring and reviving old controversies. If the Minister was prepared to adopt an unprejudiced approach as advocated by the Committee then the Opposition would be prepared to co-operate.

Richard Crossman in reply, accused the Opposition of devoting a Supply Day, and utilising it in such a way, because they were anxious to minimise the deep embarrassment to which they would otherwise be exposed when the Report was considered.

While he accepted what the Committee said about its Report only being relevant for London; and he recognised that the housing situation varied between areas, and that local authorities had adopted varying approaches to meeting housing needs - "It [was] also true that people who were thirteen years in government and left us without any knowledge of a reliable sort about the subject such as [was got] from the Milner Holland Committee [had] no right to demand that, because the information [had] been denied for years, the evil [had] to continue until six more investigations [took] place".[54] This was not at all what the Government intended in dealing with the problem.

The endorsement of the Committee's "plea for a policy purged of irrelevant prejudice" by Boyd-Carpenter [a view which he had already expressed at the Conservative Local Government Conference the previous week]; and a similar endorsement by the editor of 'The Times' filled Crossman with the "gravest

suspicion."[55]

Boyd-Carpenter's call for a consensus approach was motivated by the fact "that in terms of party politics the investigations of this Committee and a study of its Report [could] be nothing but a devastating disaster to the Opposition".[56] Here [was a] sober, impartial and annihilating analysis of how the tenants in London's privately rented properties [had] fared under thirteen years of Tory rule, seven of them after the Rent Act came into effect".[57]

Boyd-Carpenter had criticised the tax system as it impinged on private landlords but had not taken the opportunity when Chief Secretary of the Treasury to make appropriate amendments.

He, Crossman, had a natural prejudice against landlords. A prejudice shared with many Members on the same side of the House. This prejudice, which was also prevalent in the community was so strong "that many Labour supporters jumped to the conclusion that the Rachman story was typical of the behaviour of the big landlords and that they were the villains of the piece".[58] Milner Holland, however, had demonstrated and he accepted this "without qualification" that not only were large numbers of landlords not involved in "sensational forms of persecution and exploitation" but, that as far as could be seen, big landlords were the least guilty in this regard.[59]

The fact remained, however, that there was something seriously wrong with the privately rented sector and the underlying cause must be sought. The explanation lay in the fact that the "service which the landlords [provided], cheap rented housing, [was] at once unprofitable and in short supply". The provision of working class housing had, in the last forty years become "extremely unprofitable".[60]

There was, as a result, a temptation to scamp on repairs and, in the case of a minority of landlords, a "willingness to exploit and to persecute". Those who weren't prepared to resort to such measures were determined to sell up and in some cases turned the tenants "into reluctant owner occupiers saddled with a decaying liability".[61]

The majority of the little landlords were, according to the Report, "perfectly decent people - - desperate because they [couldn't] get any return on the money they invested or the houses they inherited".[62] Conservative administrations over the last thirteen years must accept responsibility for the fact that no action had been taken to alleviate the situation during that period.

He also pointed out how the Report had disproved "four popular hypotheses" which the Conservatives had utilised in support of their policies and, demonstrated that the housing shortage could not be solved by getting "rid of the rich council house tenants with their Jaguar cars", and was not caused by immigration from the Commonwealth.[63]

The Report had shown "how every prediction made by those who promoted that infamous measure [the Rent Act 1957] [had] been falsified by the facts".[64] It had drawn "attention to the appalling inadequacy of the data available". [A situation which he had already been tackling prior to receipt of the Report].[65] And, had highlighted the anomaly that tenants of residential subjects were virtually alone in not enjoying some form of security of tenure together with a mechanism for determining the correct rent.[66]

Crossman agreed with the Committee that if new housing of an adequate quality was to be provided for lower income households then substantial subsidisation would be required. The provision of new housing for such groups must be regarded as a social service. But because it should be so regarded he doubted "whether the Committee [was] right in suggesting that in this task private should be yoked to public enterprise",[67] and he was convinced that "there [would] be no advantage in extending subsidies outside the public sector. Subsidies should go to the local authorities, to housing associations, and not into the begging bowl of private enterprise".[68]

However, that did not preclude a role for private landlords who had "an enormous role to play in the repair and improvement of the great grey areas of private property which [were] falling into dilapidation or being demolished and replaced with expensive accommodation". He was "hopeful that the flexible rent regulations [which had been] evolved

[would] not only restore security of tenure - - [but] - - encourage the landlord to prolong the life of his property by repairs and improvements".[69]

He concurred with the Committee's view that measures to tackle the problem should be applied and directed to London as a whole and hoped The Greater London Council's powers in this regard would be adequate to provide the strategic direction required.[70]

He did not think that the Committee's suggestion for the establishment of 'areas of special control' administered by ad hoc authorities was appropriate at a time when London was undergoing a difficult period of local government re-organisation.[71]

Commenting later on his speech Crossman recorded - "I had thought over my tactics very carefully indeed and I decided to launch an all-out attack on the Tory record and put the whole blame on them for the rent crises we inherited. For weeks now, George Wigg and I have been discussing our failure to pin the responsibility on the Tories for the troubles we are coping with. Here is a case where we really could do so, and so the speech was a ruthless party political attack on the Conservatives, with my own side roaring enthusiastically behind me. Probably in the long run it was marred by a remark I made about my natural prejudice against landlords. I had put it into the text at the last moment to make sure I would carry my own backbenchers with me".[72]

In his speech on the Second Reading debate Crossman focussed on the 'fair-rent' provisions of the Bill and made extensive reference to Milner Holland and quoted at the outset what he perceived as the 'key sentence' in the concluding chapter of the Report. "Neither a policy of rigid rent restrictions, without any mitigation of its adverse effects on the provision and maintenance of rented housing, nor a policy of piecemeal and haphazard decontrol unaccompanied by any provision for security of tenure, have led to any real relief of the stresses of London housing".[73]

The provisions of the Bill he argued followed "as closely as possible the precepts of the Milner Holland Committee, - - - because the aim of the Bill [was] to end decontrol without reverting to pre-1957 rigidities and to provide to the good tenant real security in his home, while bringing him and the landlord together in a new climate of reconciliation".[74]

He dismissed the suggestion that rental values should be based on gross annual values determined for rating purposes [an approach favoured by some of the backbenchers on his own side], arguing that these were drawn with too broad a brush. "We would have mathematical rigidity without mathematical justice. [And this] was the conclusion of the Milner Holland Committee - -".[75] To adopt capital values as a basis as favoured by some Conservative Members would be to reflect the impact of scarcity.[76]

That the determination of 'fair-rent's, ignoring the impact of scarcity created by special conditions, was possible, was indicated by the "findings [which were] quite unambiguous - - [that] not only [was] harassment and exploitation of scarcity - limited to a small minority of landlords - - [but] that a quite remarkable number of tenants [had] no grudge against their landlords, and would be quite prepared to make a further contribution towards the cost of repairs and improvements they desired, if they were sure they could get them - - a 'fair-rent' unaffected by local scarcity values [was] not an abstraction or a rarity, but something which a considerable number of landlords and tenants [had] already agreed together".[77] Further the Committee's findings supported the view that a £400 rateable value was an appropriate ceiling to which regulation should operate.[78]

As to doubts as to whether the rent regulations system was workable Crossman had taken "the trouble to consult experts, including members of the Milner Holland Committee, a number of whom [had] unusual knowledge of housing management and valuation".[79] And, the advice supported his proposals. However, his advisers had also agreed that the system could only operate effectively if the right membership was recruited for the proposed assessment committees.[80] As favoured by Milner Holland those selected would be laymen rather than lawyers.[81]

John Boyd-Carpenter, replying for the Conservatives, argued

that what Crossman was proposing did not offer any solution to the real problem - the shortage of accommodation to rent. While Crossman claimed that he was following as closely as possible the recommendations of the Milner Holland Committee he was in fact not doing so. The recommendations, which were specifically and explicitly confined to London, were for "an extension of control balanced by the alleviation of the financial consequences to landlords of that control - intended as spelt out in that Report time and again, to prevent the drying up of the supply of rented accommodation which [would] follow from [an] extension of control not balanced by compensating measures".[82] While control had been applied to the privately rented sector in Continental countries where the Committee had carried out research, it had been balanced as the Report spelt out, "by way of fiscal and other methods by which the drying up effect of control [could] be mitigated".[83] By his opposition to subsidies for the private rented sector: which he had indicated in the earlier debate on the Report, and as was now confirmed by the provisions of the Bill; Crossman was effectively rejecting "essential parts of the Committee's Report".[84]

Crossman intervened to point out that he had not indicated an attitude to the fiscal problem - that was a matter for the Chancellor.[85] He acknowledged, however, that contrary to the Committee's recommendation, he did not intend to place any reliance on the private sector for the provision of new accommodation to rent.[86]

Frank Allaum, a Labour backbencher, [Salford, East] made a "plea to the Minister not [to] be too tender to the owners - - . Whichever method or formula [reached] the aim must be absolutely clear - - to keep rents down".[87] The criteria for determining a 'fair-rent' were in his view too vague. A skillful lawyer could 'drive a coach' through the clause and if landlords could obtain a few favourable decisions from tribunals then these could create a precedent.[88] He hoped that Labour Members would support the Bill in principle and do everything possible to tighten the 'fair-rent' clause.[89]

The Conservatives did not oppose the Second Reading motion although they did move an unsuccessful motion to have the Bill committed to a committee of the whole House.

As anticipated, Crossman did meet opposition from Labour backbenchers during the Committee stage; and not only on the 'fair-rent' clause but also on Clause 15, which provided for decontrolling houses in the lower range of rateable values; although none of them voted against the proposals.[90] Before the Bill had reached the Report Stage, however, Crossman had made concessions on the phasing of rent increases.[91]

The provisions of the Bill did not extend to furnished accommodation in the private rented sector. Crossman recorded the following explanation for this and comment on the outcome.

"The exclusion of furnished dwellings from the Bill proved

to be the fatal flaw and did untold damage. It was urged on me by the officials for purely administrative reasons. They said they couldn't get the Bill done in time. I should have been tough and insisted on including them on Milner Holland's perfectly correct advice".[92]

Other Issues, and Discussion

There were in addition of course, a number of other recommendations of the Report which the Government did not follow. In some cases this was made explicit by Crossman in his speeches during the debates on the Milner Holland Report, and on the Second Reading of the Rent Bill: no reliance would be placed on the private rented sector to provide new dwellings; no subsidy would be made available to landlords; and there would be no 'areas of special control'. Although Crossman did not dismiss the possibility of fiscal changes relating to the sector, saying that this was a matter for the Chancellor, no such changes in the event were made.

The recommendations regarding a review of the subsidy arrangements for local authority housing were not pursued either. A White Paper published in November 1965 gave details of the Government's proposed housing programme[93] and outlined proposals for a new subsidy arrangement intended to stimulate an expansion in public sector output to 250,000 houses per annum - 50% of the planned total of 500,000 from both public and private sectors.[94] [These figures excluded

Scottish output]. As with all subsidies for public sector housing since the first were introduced in 1919, they were to be related to specific capital projects, and were designed in particular to overcome the inhibiting effect of high interest rates. The Exchequer would meet excess costs arising from interest rates above a ceiling of 4%; and high costs arising from expensive sites, multi-storey building, and technical and architectural factors would qualify for additional subsidy. The associated bill was lost when the general election was called in February 1966, but legislation was passed by the new parliament.

Crossman's Department had, prior to his arrival at the Ministry, drawn up proposals which would have brought more equity to the distribution of subsidies between local authorities [and also involved increasing rents to nearer an economic level]. Crossman records - "I had to tell the Secretary quite early on that this was not our Labour Party policy; we were firmly committed to a new subsidy which brought the burden of interest paid by local authorities on new houses down to 4%.[95]

As to the recommendation for a Londonwide approach, while Crossman hoped that the creation of the Greater London Council would provide more effective arrangements for tackling the housing problem on such a basis, in fact, the middle class suburban boroughs effectively employed tactics designed to exclude public sector housing for residents from inner-core authorities from their areas.[96]

The Committee had also of course recommended that the tax position of housing associations should be reviewed and, in June 1965, a clause was introduced to the Finance [No.2] Bill as a result of that recommendation. Although intended to bring financial benefit to such organisations these were not however, to come in the form of exemption from tax but by way of discretionary powers given to housing ministers [in England the Minister of Housing and Local Government, and in Scotland and in Wales the respective Secretaries of State] to repay tax by way of grant. The following extract from the speech made by Robert Mellish [Joint Parliamentary Under-Secretary of State, Ministry of Housing and Local Government] when the clause was under consideration in the Commons explains the reason for the arrangement, but is also illuminating in that it demonstrates the cautious approach [extending in this case to a policy of disassociation], and the power of the Treasury in connection with tax concessions.

"the main point is that, on taxation principles, there is no case for exempting housing associations. Although they are referred to as non-profit making, they do in fact make a profit in the tax sense. In our view, there is a special case here on social grounds for assisting the non-profit making housing associations to play a proper part in the provision of houses to let, and the Chancellor has taken the view that the right way to do it is by way of grant. It falls to the Housing Ministries to make this grant".[97]

Looking beyond the policy and legislative response of the Labour Government to the Report - what wider impact did it have? What influence in particular did it have on the traditional attitudes of the two principal Parties. At least one commentator, Duclaud - Williams[98] has pointed to the influence on Conservative perceptions demonstrated by the fact that they did not oppose the Bill at its Second Reading, although he suggests such influence would have been of even more significance had a Conservative, rather than a Labour government, been elected in 1964 because such a government would in all probability have been persuaded as a result to introduce amendments to the 1957 Act. Longer term influence on Conservative attitudes is, he argues, evident in the lack of inclination of Conservative governments in the 1970s to dilute the provisions of the 1965 Act and, in a more positive way, in the Conservatives extension of the 'fair-rent' concept to the public sector in 1972.

The influence on Labour in Duclaud - William's opinion was less important because Labour was already committed to the repeal of the 1957 Act. He also suggests that Labour's continuing 'hostility' to the private rented sector was reflected in its failure to introduce tax allowances against property depreciation, as advocated by Milner Holland, and supported by the Conservatives; and in its subsequent failure to introduce income assistance for low income households paying high rents in private property.

Duclaud - Williams' assessment of the influence of the

Report on the attitude of the Conservatives both in opposition and subsequently in government can be accepted. [Although he does overlook the influence of prevailing political considerations on voting behaviour. The Conservative leadership must have been aware of the possibility of a general election in the near future.] But there are several points with which one can take issue.

First - Duclaud - Williams underestimates the significance of the Report with regard to Labour attitudes. It is clear in the references which Crossman made to certain aspects of the Report during the Commons' debates, as quoted earlier in this chapter,[99] that he depended on it to dampen down possible opposition from his own left wing. [Such a threat was particularly evident in the speech of Labour backbencher Frank Allaun during the Second Reading debate].[100] And of course given Labour's small Commons majority such opposition could be very significant.

Second - It is unlikely that Labour's failure to introduce depreciation allowances should be attributed to opposition on either political or ideological grounds from the Labour Party. And is more likely to have been because of opposition from the Treasury - the evidence of which has just been referred to. It is significant, a fact which Duclaud - Williams ignores, that the Conservatives did not introduce such allowances when they subsequently came back into government.

Finally - to argue that Labour's lack of enthusiasm for the introduction of rent allowances for low income households was also related to its 'hostility' to the private rented sector is clearly wrong. The political difficulty for Labour lay in the fact that eligibility for the allowances depended on means testing. But as mentioned in the previous chapter, provision for such allowances having been introduced by the Conservatives in 1972 succeeding Labour governments did not reject the arrangement.

An element of the Report of course which was of particular interest, and which has been referred to earlier, was its examination of housing economics; in particular of the various 'subsidies' which were available, and of the interaction between the various sectors of the housing market. Again, as mentioned earlier, one of the principal contributors to this analysis was Adela Nevitt[101] and she was to publish her own book on the subject shortly afterwards. Together these two works constituted a major contribution to the literature in this field [being the first since Marion Bowley's seminal work was published in 1945],[102] and they provided significant vehicles for the dissemination of information on the topic albeit to a limited audience.

NOTES AND REFERENCES - CHAPTER IV

1. Ministry of Housing and Local Government, Report of the Committee on Housing in Greater London. Cmnd. 2605, H.M.S.O. 1965, p.1

2. 'The Financial Times' 5 August 1960

3. Donnison D., & Ungerson C., Housing Policy, Penguin Books Ltd., Harmondsworth, Middlesex, 1982, p.153

4. Cmnd. 1952, H.M.S.O., 1963

5. Ibid. paras. 48 - 49

6. 681 H.C. Deb. 5 S. Col. 1058

7. Ibid. Cols. 1087 - 88

8. 695 H.C. Deb. 5 S. Col. 124

9. 697 H.C. Deb. 5 S. Col. 188

10. 698 H.C. Deb. 5 S. Cols. 71, 193, 1016 -17

11. Cmnd. 2605 op. cit. p.2

12. Comment by Professor Donnison

13. 701 H.C. Deb. 5 S Col. 34

14. Labour was committed in its 1964 general election manifesto to repealing the 1957 Rent Act [although in the event they amended it] to ending further decontrol and restoring security of tenure to those already in decontrolled properties and to establishing machinery for determining 'fair' rents. [Craig F.W.S. op. cit. p.264]. It was with these commitments the Bill was principally concerned.

15. Crossman R., The Diaries of a Cabinet Minister - Vol.I, Hamish Hamilton & Jonathan Cape Ltd., London, 1975, p.89

16. Comment by Professor Donnison

17. Crossman R., op. cit. p.186

18. Gray G., and Russel R., The Housing Situation in 1960 The Social Survey

19. Cmnd. 2605 op. cit. p.3

20. Ibid. p.186

21. 695 H.C. Deb. 5 S. Col. 124

22. Cmnd. 2605 op. cit. p.7

23. Ibid. p.37

24. Ibid. Ch.12

25. Ibid

26. Cmnd. 2605 op. cit. p.184

27. Ibid. p.227

28. Ibid. p.225

29. Ibid. p.227

30. Crossman R., op. cit. p.174

31. 708 H.C. Deb. 5 S. Col. 634

32. Ibid.

33. Labour had an overall Commons majority of only 4

34. Rents and Security of Tenure: The Rent Bill Cmnd. 2622 H.M.S.O., 1965

35. Crossman R., op. cit. p.166

36. Ibid. p.174

37. Ibid. p.187

38. Cmnd. 2622 op. cit. para. 14

39. Crossman R., op. cit. p.179 - 80

40. Ibid. p.175

41. Ibid. p.187

42. Ibid. p.187

43. 709 H.C. Deb. 5 S. Col. 52

44. Ibid

45. Ibid. Col. 53

46. Ibid. Col. 54

47. Ibid.

48. Ibid. Col. 56

49. Ibid. Col. 61

50. Ibid. Col. 60

51. Ibid. Col. 66

52. Ibid.

53. Ibid. Col. 68

54. Ibid. Col. 70

55. Ibid.

56. Ibid.

57. Ibid. Col. 71

58. Ibid. Col. 72

59. Ibid.

60. Ibid. Col. 73

61. Ibid.

62. Ibid.

63. Ibid. Col. 74

64. Ibid. Col. 79

65. Ibid. Col. 82

66. Ibid.

67. Ibid. Col. 85

68. Ibid. Col. 86

69. Ibid.

70. Ibid.

71. Ibid. Col. 87

72. Crossman R., op. cit. pps.186 - 87

73. 710 H.C. Deb. 5 S. Col. 34

74. Ibid. Col. 35

75. Ibid. Col. 42

76. Ibid.

77. Ibid. Col. 45

78. Ibid. Col. 46

79. Ibid.

80. Ibid. Col. 47

81. Ibid.

82. Ibid. Col. 56

83. Ibid.

84. Ibid.

85. Ibid.

86. Ibid. Col. 57

87. Ibid. Col. 79

88. Ibid. Col. 81

89. Ibid. Col. 84

90. Crossman R., op. cit. pps.221 - 22

91. Ibid. p.260

92. Ibid. p.89 [n]

93. The Housing Programme 1965 - 70 Cmnd. 2838 H.M.S.O., 1965

94. Ibid. p.8

95. Crossman R., op. cit. pps.619 -20

96. Young K, and Cramer J., Strategy and Conflict in Metropolitan Housing, Heinemann, London, 1978

97. 714 H.C. Deb. 5 S. Cols. 711 - 12

98. Duclaud-Williams R.H., The Politics of Housing in Great Britain and France, Heinemann, London, 1978, p.78

99. See particularly references 59 and 62

100. See references 87 - 89

101. Nevitt, D.A., Housing, Taxation and Subsidies: a Study of Housing in the United Kingdom, Nelson, London, 1966

102. Bowley, M., Housing and the State 1919 - 44, Allen & Unwin Ltd., London, 1945

CHAPTER V - THE FRANCIS REPORT AND THE 1974 RENT ACT

The Establishment of the Inquiry

As explained in the previous chapter the 1965 Rent Act did not extend security of tenure to furnished tenancies. As a consequence, while in the period from 1966 to 1971 the number of private unfurnished tenancies fell on average by 122,000 per annum, the number of furnished tenancies increased on average by 54,000 per annum.[1] By the late 1960s concern about the vulnerable position of tenants of furnished premises had led to widespread demands for them to be given full security.[2] However when, in December 1968, such a possibility was raised by the Labour Member for Croydon, David Winnick, with the then Labour Government, he was told that while 'closer integration' [with the provisions applying to the unfurnished sector] was hoped for in the future it was not possible at that stage.[3] And when the same issue was raised by the Liberal Member for Orpington, Erick Lubbock, in the summer of 1969, the answer was in a similar vein, albeit on this occasion accompanied by a hint at the reason for the Government's reluctance to act. - "A further extension of the law on the lines suggested would have far reaching consequences not all of them necessarily favourable to tenants generally" - But, he was told "the possibility [was] being kept in mind".[4]

Some three months later, at the end of September, and at the time of the Labour Party annual conference where security of

tenure for furnished tenancies was about to be adopted as Party policy, the intention to appoint a committee of inquiry was announced. The Committee's terms of reference were: to review and report on -

a. the operation of rent regulation under the Rent Act, especially in large centres of population where accommodation [was] scarce; and

b. the relationship between the codes governing furnished and unfurnished lettings.[5]

Earlier in the same month there had been vociferous public criticism of ministers responsible for the housing programme by the director of Shelter [Des Wilson]. He had accused them of exaggerating Labour's housing achievements and called for resignations. This prompted responses from ministers and there was to be an oblique reference to the criticism by Harold Wilson during his speech at the conference.[6] Clearly the criticism from Shelter in the run up to the conference was timed to cause the maximum embarrassment, but any link between this development and the timing of the announcement of the inquiry seems unlikely, particularly as the Chairman was named the same week as the announcement was made. It is more likely that the criticism should be seen as the culmination of a longer term campaign on a broader front by Shelter which may have influenced the decision; in addition, of course, to the clear pressure from the Party membership.

Given the concern which Labour ministers clearly had, and

doubtless officials as well, as to the likely consequences of extending security of tenure to the furnished rented sector, it is not surprising that they sought independent advice on the issue, but it is also possible, and indeed likely that the appointment of a committee of inquiry was perceived as a way of postponing a decision until after the next general election. This was due at the latest within 18 months and, more likely, not more than 12 months. Certainly, the Committee having been appointed, ministers made it clear that it would not be under pressure to produce a report within 'a hard and fast deadline'.[7]

The Committee was appointed jointly by the Minister of Housing and Local Government and the Secretaries of State for Scotland and Wales, and had a membership of five. [Less than half the size of the Milner Holland Committee]. Chaired by Hugh E Francis, QC its other members included two aldermen, a chartered surveyor, and a Scottish solicitor.

The Committee received written evidence from over 260 bodies and individuals; and heard oral evidence at 18 of its 41 meetings [some of which, including those where evidence was heard, being held in Glasgow and Cardiff] from 93 individuals representing tenant groups, landlord groups, government departments, local authority organisations, professional bodies, pressure groups, and those involved in operating the rent assessment machinery. It inspected dwellings both furnished and unfurnished and attended rent assessment hearings. In addition, research was commissioned involving

a tenant survey and a landlord survey, and a study of rent tribunal cases in Greater London.[8]

The Report

The Committee's Report, published on 2 March 1971, extends to 237 pages plus appendices. Four of the five members signed a majority report; Miss Lyndal Evans, one of the two aldermen on the Committee, and who served on Camden borough council, added a minority report.

The Committee concluded that the system of rent regulation introduced in 1965 for unfurnished dwellings was, in general, working effectively although it recommended a number of changes including the following.

1. Local authorities in stress areas should be required to publicise the rent service.
2. The penalties for harassment and unlawful eviction should be increased.
3. Controlled tenancies should become regulated as soon as possible on a phased basis. This was required on grounds of equity, and because the evident disparities between regulated rents and controlled rents for similar properties in the same area tended to undermine public confidence in the rent assessment system.
4. The rateable value ceiling, under which rent regulations applied, should be reduced from £400 to £300 in Greater London and from £200 to £150 elsewhere. Properties above the proposed levels did not appear to be in short supply and were clearly occupied by 'well-to-do' tenants

resort to the rent officer.

5. Newly erected dwellings should be removed from rent regulation altogether on the grounds that virtually no private dwellings were being built for letting and the removal of restrictions might induce some investors to increase the supply.

[The last two recommendations were opposed in the minority report].

Those signing the majority report were unable to recommend that full security of tenure should be extended to furnished tenants principally because they considered that this was likely to lead to a serious reduction in the supply of furnished property and make it more difficult for low income families, unmarried mothers, unemployed immigrants, and young married couples to find accommodation. "we do not believe that this is an acceptable risk in the conditions which now prevail in stress areas, especially in the stress areas of London. The consequences, both in social terms and more specifically in relation to the management of the public sector housing would be great. It does not require much imagination to see that it would have, in the words of the Association of Municipal Corporations, serious implications for public sector housing".[9] And there were, it was considered, additional dangers in such a change. In particular, if the prospect of such a legislative change became known, it might lead to the widespread termination of furnished tenancies.

As an alternative, the majority report recommended a partial assimilation of the codes governing the two types of tenancy by extending the 'fair rent' formula to the furnished tenancy and merging the rent assessment machinery. [Under existing arrangements the fixing of a 'fair rent' for unfurnished accommodation involved the assumption of an essentially balanced market whereas, furnished tenancies only required the assessment of a 'reasonable rent'.]

In stress areas local authorities should be required to undertake a more active role. In areas designated as such, by the Secretary of State, they should be under a statutory duty to provide advice, monitor rent levels, and enforce legislation with respect to harassment; and priority should be given to the establishment of housing aid and advice centres.

As indicated earlier, Miss Evans in her minority report opposed the recommendations that the rateable value ceiling, determining the cut off point for rent regulation, should be lowered; and that newly built dwellings should be excluded from regulation.

On the first issue she argued that:-

1. evidence from the Institute of Rent Officers suggested that the apparent adequate supply of better quality property merely reflected the depressing effect on demand of high rents, and that high rental levels further up the market tended to influence rental levels in the lower bands;

2. tenants in the higher value properties would not only lose the benefit of rent regulation but also lose security of tenure.

On the second issue she argued that:-

1. removing such properties from the provisions of the Rent Acts would not increase the supply of new rented property to any significant extent in the absence of changes in other factors - the tax benefits and inflation benefits of owner occupation, the lack of political consensus on the private rented sector etc;

2. to the extent that new dwellings were provided for renting, and this was happening in some areas, a new category of property outwith the regulation provisions would emerge and undermine the effectiveness of the Rent Acts by creating anomalies akin to those between regulated and controlled dwellings, and in addition, the tenants of such properties would be denied security of tenure.

However, it was on the question of the rejection of the extension of full security of tenure to furnished tenancies that Miss Evans was most at odds with her colleagues. She pointed out that the prevailing distinction with regard to security of tenure had brought about a marked transfer of stock in stress areas from the unfurnished to the furnished category, adversely affecting vulnerable groups. Between 1964 and 1967 the furnished share of the private rented sector had increased by 25% in London and 50% elsewhere. Further, the tenant survey had demonstrated that rents of furnished accommodation were substantially higher than for

comparable unfurnished property and conditions were poorer.

She advocated abandoning the distinction between furnished and unfurnished tenancies. All tenants should have security of tenure unless residing in 'small premises'[10] where the landlord lived in the building and let not more than two dwellings to persons with whom he shared some accommodation eg. bathroom or w.c.
[This suggested change in approach to determining dwellings qualifying for full security of tenure was on the lines advocated by Shelter and had been put forward by way of a Commons question in November 1989].[11]

Miss Evans did not consider that adopting this proposal would reduce the supply of rented accommodation to any significant extent because the only part of the furnished section of the sector where the stock would be readily saleable for owner occupation was comprised of purpose built flats and whole houses let furnished. The tenant survey had shown that only 11% of furnished accommodation in Greater London fell into one or other of these categories. Much of it was furnished to a high standard and let to higher income tenants, and rental levels were likely to be such that it would remain in the rented market. Lack of facilities and difficulty in qualifying for mortgages would exclude much of the other property from sale. [The majority report considered that "unconverted multi occupied houses might well be converted into boarding houses or bed and breakfast hotels, or converted into self-contained flats

and sold on long leases".][12]

The Response by the Conservative Government

Labour having lost the general election in June 1970, the Report was received by a Conservative administration and, on 10 March 1971, Julian Amery, Minister for Housing and Construction, made a statement on the Report to the House of Commons.[13]

On the question of full security of tenure for the furnished rented sector he announced that the Government, having been 'impressed by the solemn warnings' contained in the majority report, 'that to extend full security could well cause the supply of furnished accommodation to dry up', had accordingly decided not to extend unfurnished security to furnished tenants. He had considered it necessary to make an early statement on this issue in case uncertainty had an unsettling effect on this sector of the housing market.

The Government had not found that the balance of argument supported reducing the rateable value ceiling and was thus following the minority report recommendation in this regard.

It was accepted that there was evidence of continuing harassment and illegal evictions in stress areas and the Government agreed with the Committee's view that penalties for such offences required strengthening.

With regard to the recommendation for greater local government intervention, there was much that could be done utilising existing powers and he intended holding discussions with Inner London borough councils.

By and large, the system of rent regulation introduced by the previous [Labour] government was working well and he 'paid tribute' to them for it. [This could be seen as evidence of consensus but the attitude may well have been conditioned by the fact that the Government was about to extend the 'fair rent' system to public sector housing as a way of intervening on the level of local authority rents.]

There were other recommendations which the Committee had made for improving the system, some which would require legislation and the Government had them under consideration.

The Minister parried a suggestion made by a Conservative backbencher - David Waddington - Nelson & Colne, that the Government should adopt the majority recommendation to exclude new dwellings from regulations. He would consider the suggestion but it was likely to be 'administratively difficult'. [It would of course have been awkward to justify such a change while at the same time accepting the effectiveness of the rent regulation mechanism and would have opened up the issue of the other factors inhibiting investment in the private rented sector].

Another Conservative backbencher - Geoffrey Finsberg -

Hampstead & Highgate, welcomed the decision not to lower the rateable value ceiling. [Subsequent pressure two years later from Conservative backbenchers representing such high rent areas, was to lead to the rateable value ceiling being raised.][14]

Richard Marsh, responding for the Opposition, said that for many people both inside and outside the House the Report was a grave disappointment. He complained that while the minority report had dealt with the contentious issue of security of tenure for furnished tenants, the Minister had made up his mind without giving the House the opportunity to discuss the matter.

Several Labour backbenchers, most representing London constituencies, expressed their disappointment and voiced criticism of the majority report. Bruce Douglas-Mann - Kensington North, claimed that the majority report view on security of tenure was based solely on assertions made by landlords and agents. [Clearly the majority were influenced by this evidence but the opinions expressed by the Association of Municipal Corporations also appeared to have weighed heavily].

The following year the Conservative Government made provision in its Housing Finance Act, and in the parallel Housing [Financial Provisions][Scotland] Act for the phased transition to regulation of the remaining controlled tenancies along the lines recommended by Francis, [at the same

time introducing rent allowances - means tested subsidies - for private sector tenants]. But, beyond announcing at the end of March 1972 the intention to increase the penalties for harassment and illegal eviction under its Criminal Justice Bill, it took no further legislative action on the recommendations of the Report.

The 1974 Rent Act

At the February 1974 general election the Labour Party manifesto contained a commitment to introduce full security of tenure for furnished tenants and when a [minority] Labour government was returned it introduced a Bill to that effect [it was to become the Rent Act 1974] early in its legislative programme. Clearly the Conservatives had no plans to oppose the Bill as it started its parliamentary course in the Lords. The Bill amended the existing Rent Acts by removing the provision which had previously excluded furnished tenancies from full protection thus extending to furnished tenants indefinite security of tenure and the right to have a 'fair rent' registered. Exempted from the entitlement were lettings by resident landlords [as proposed by the Francis minority report and by Shelter], holiday lettings, and lettings to students.

The Bill received its Second Reading in the House of Commons on 8 July 1974.[15] Reginald Freeson - Minister for Housing & Construction, made it clear, that while the provisions fulfilled the manifesto commitment - furnished tenants required protection - the Government shared a widely held

view that it would not be long before private lettings ceased to represent a significant feature of the housing market and that the future lay with social landlords [local authorities and housing associations].

Referring to Francis he suggested that the majority report's concern that the extension of security of tenure to furnished tenancies would reduce supply was the most weakly argued part of the Report and the evidence on which it was based insubstantial. He had not been convinced that introducing such a change would lead to the private rented sector shrinking any faster than it was anyway.

Margaret Thatcher, replying for the Opposition, took issue with Freeson on a suggestion he had made during his speech, that rent control and security of tenure were irrelevant to explaining the decline of the private rented sector. What, she argues, had caused continuing decline despite the introduction of decontrol in 1957, and had frustrated Conservative attempts to regenerate the sector, had been Labour's threat to reverse decontrol legislation and reintroduce security of tenure.

Specific to the Bill, however, the Opposition offered little criticism beyond warning of the likely drying up of supply and the need to provide a fairer deal for landlords, and at the division only six Conservatives voted against the motion.

Notes and References - Chapter V

1. 876 H.C. Deb. 5 S. Col. 1032

2. 'Times' 3.3.71

3. 774 H.C. Deb. 5 S. Col. 372

4. 785 H.C. Deb. 5 S. Col. 237

5. The Department of the Environment; Report of the Committee on the Rent Acts. Cmnd. 4609, H.M.S.O., 1971 p.1

6. 'Times' Sept. 12, 17, 20, 22 and Oct.1, 1969

7. 791 H.C. Deb. 5 S. Col. 1123

8. The tenant survey involved - [i] a random sampling of tenant housing conditions and attitudes [towards landlords, levels of rent, and procedures available for rent assessment and prevention of harassment] in the Greater London, West Midlands and Central Clydeside conurbations, and in part of South Wales; and [ii] a more intensive investigation of conditions and attitudes in some selected stress areas within the 3 conurbations. The landlord survey involved a parallel investigation of landlords relevant in the tenant survey but restricted to the Greater London and West Midlands conurbations. It sought information on attitudes to rent levels, the operation of the Rent Act, and relations with tenants.

   The objectives of the study on rent tribunal cases were to ascertain how long tenants had retained tenancies after the tribunal's decisions had been given, whether there had been any change in tenure of the property, whether the rent remained at the level fixed by the tribunal, and the attitudes of landlords and tenants to the decisions. And, why applicants had withdrawn cases which they had submitted to the tribunal or allowed them to lapse.

9. Cmnd. 4609 op. cit. p.205

10. 'Small premises' being defined as premises let under a separate letting or similar agreement in which there was not normally residential accommodation for more than two households in addition to the landlord's household.

11. 791 H.C. Deb. 5 S. Col. 1087

12. Cmnd. 4609 op. cit. p.203

13. 813 H.C. Deb. 5 S. Cols. 422 - 432

14. Duclaud-Williams R.H., op. cit. p.84

15. 876 H.C. Deb. 5 S. Cols. 1025 - 1088

CHAPTER VI - INQUIRY BY THE ENVIRONMENT COMMITTEE INTO THE PRIVATE RENTED HOUSING SECTOR 1981/82 AND SUBSEQUENT DEVELOPMENTS

Background

In 1977 the Department of the Environment and Welsh Office, and the Scottish Development Department launched reviews of the Rent Acts and issued consultative papers inviting evidence from interested parties, but no conclusions had been published before Labour lost the general election in 1979.

In 1980 the succeeding Conservative Government introduced 2 new types of tenancy applicable to the private rented sector one of which the Labour Opposition threatened to repeal. The innovation in contention was what was termed in the English/Welsh Act[1] a 'shorthold tenancy', and in the Scottish Act[2] a 'short tenancy' which provided for a house being let for a period of one to five years. Although such a tenancy had to be registered at a 'fair rent' - "a concession designed, unsuccessfully, to get all-party support for the scheme"[3] - there was also provision enabling the Secretary of State to dispense with this requirement by way of a parliamentary order. At the Conservative Party conference in October 1981, John Stanley - Minister for Housing and Construction, announced the Government's intention, presumably because of the evident lack of enthusiasm for the new arrangement among landlords, to exercise this power with respect to all future shorthold tenancies in England and Wales outside London. While there was nothing to prevent a tenant applying for a rent to be registered after a tenancy had commenced, the obvious criticism which could be made of

the arrangement was that if the tenancy was only for say, one year, the landlord could, as a deterrent, indicate his intention to refuse to renew the tenancy.

The second type of tenancy introduced in 1980 [but not extending to Scotland] was the 'assured tenancy' - a provision intended to attract institutional investors who, as landlords approved by the Secretary of State, would operate outwith the constraints of rent regulation, catering primarily for relatively affluent mobile households. A similar arrangement had been sketched out in the consultative documents published by the preceding Labour Government in 1977[4] as part of its housing policy reviews initiated two years earlier, and the assured tenancy did not excite the controversy attaching to the shorthold tenancy. Subsequently it was announced as part of the 1982 Budget statement that building costs relating to the provision of dwellings to be let on assured tenancies would qualify for a 75% first year depreciation allowance followed by a 4% annual writing down allowance on the balance. Initially assured tenancies could only be adopted in the case of new property but in 1986 further legislation extended their application to 'substantially improved or repaired, or converted property'[5].

The inquiry by the Environment Committee into the private rented sector [it constituted the second stage of a 2 part inquiry into rented housing which the Committee had decided to conduct when initially established in 1979, the first

stage involving an inquiry into the financial and social implications of council house sales which is discussed in Chapter 10] appears to have been advocated by the leading Conservative member, Nicholas Scott.[6] As the Committee was subsequently to observe in its report, there had been "no authoritative study of the private rented sector since the report of the Francis Committee in 1971. [And this was] particularly important as legislation affecting the private rented sector often [appeared] to have been enacted with little attempt either before or after legislation to assess its impact on the sector".[7]

The decision to conduct the inquiry having been made, written evidence was sought during 1980 from some 200 witnesses relative to - 'the effects upon provision and demand for private rented accommodation of housing taxation and subsidies, rent regulation, and security of tenure legislation'. The commencement of the inquiry was delayed from April 1981 to the following November [due to the chairman[8] being ill] and when it was resumed it was decided, in view of the analysis of the written evidence by the Committee's three part-time specialist advisers, to take oral evidence 'to clarify further the current position of and trends in the private rented sector as well as the effectiveness of current policies'. The oral evidence was taken over six sessions from representatives of local authorities, landlord and tenant organisations, estate agents, a housing pressure group, and from the Minister for Housing and Construction, John Stanley.

The Report

The report of the inquiry was published in July 1982. The Committee had noted at the outset that private renting of houses in England had fallen from 6.2 million dwellings in 1938 to 2.2 million in 1977 [the last year for which figures were available] and had considered the reasons for the decline. Some witnesses had stressed the risk of not obtaining repossession when required as a significant factor, especially in the case of small landlords, but beyond that the analysis added nothing to the reasons identified in the Milner Holland Report.

An examination of the current circumstances in the sector showed that they were in many regards similar to those prevailing in the 1960s and early 1970s. Housing stress was strongly associated with concentrations of privately rented housing, particularly in London; the physical characteristics of the stock varied widely, some of it, terraces and purpose built flats, being more readily saleable for owner occupation; much of the stock was lacking in amenities, and the sector contained a disproportionate number of unfit dwellings. Tenants tended to be elderly and concentrated in unfurnished accommodation [although the elderly were a declining proportion of the total], or among those seeking easy access - the young, the highly mobile, and those who had recently experienced a change in personal circumstances such as separation or divorce. Most tenants had low incomes.

The evidence on rent levels indicated that these varied widely depending on whether a tenant had an existing secure tenancy, and was thus able to obtain a low registered rent, or was seeking accommodation in a stress area where, if the letting was outwith the Rent Act, the rent could vary from 2 to 4 times the registered rent. And avoidance of the Rent Act was clearly occurring on a very substantial scale; the most used devices for achieving it being licenses for non exclusive lettings, and holiday lets. "The Small Landlords' Association in their evidence said that their advice to any landlord contemplating a new let would be 'Avoid at all costs creating a full protected tenancy', while the British Property Federation argued that 'there is no reason at all why anyone should structure his affairs in such a way that he gives more security of tenure - - or anything else than he has to'. Some witnesses indeed argued that in parts of the country, particularly Central London, virtually all new lettings were outside the Rent Act."[9]

The Committee was strongly critical of the quality of the information supplied by the DoE in the above connection observing that - "the evidence provided by the Department [could] not be used to substantiate the Minister of Housing's estimate that about 400,000 of the 500,000 lettings made in 1977 were regulated tenancies. Moreover, all the other evidence presented on this subject suggested that a substantial proportion of those tenancies [was] not seen by landlords or tenants as coming under the regulation of the

Rent Act".[10]

The prevailing level of yields from rented housing investment and the levels which landlords considered might be reasonable had been explored. Evidence received from professional valuers and from the DoE suggested that gross yields from regulated registered rents averaged around 3.5% although these averages masked significant differences between areas and dwelling types. Evidence on the level of unregistered rents and regulated premises was much more limited, however, such rents might increase the gross rate of return on this type of property to between 3% and 6%. "The evidence suggested that, on overage, net returns on registered rents were of the order of 1% to 2%. A number of respondents agreed with the view put forward by the British Property Federation that a rental return on vacant possession value of 6% net [about 9% gross] would be necessary to maintain the supply of privately rented accommodation at its current level. Few witnesses suggested a lesser return and many felt higher returns ranging from 10% to as much as 20% would be necessary to maintain the supply".[11]

A number of witnesses had suggested that tenants should be expected to pay 25% - 30% of their incomes on housing costs. Assuming a 9% gross yield and a 30% rent/income ratio "it [appeared] that perhaps 50% of unfurnished tenants and 40% of furnished tenants could not afford rent on even an unimproved 2 bedroomed terraced house in London. On this basis, even if the proportion that tenants were expected to

pay was increased considerably - rents giving a 9% return would require a very large increase in public expenditure on rent allowances and supplementary benefits".[12]

In its reply to the Committee's report on another topic - the implications for housing policies of the Government's expenditure plans,[13] the DoE "had invited the Committee to consider why every other EEC country except the Republic of Ireland met a higher proportion of demand for rented accommodation from the private rented sector".[14] This the Committee had proceeded to do. It had obtained details of an earlier report on the subject produced by the Centre for Environmental Studies, information from the DoE itself, and evidence from academic witnesses. In the light of the information the Committee had concluded that, while several European countries and the USA had a higher proportion of housing stock in the private rented sector, they had, historically, provided significant subsidies to landlords and controls had usually been less severe than in this country; and they had also in many cases developed the other sectors more slowly. If Britain had supported the private rented sector more heavily and developed the public sector and owner occupied sector more slowly, then things might have been different. However, "this [was] a largely historical and academic point - - existing policies towards the tenures [were] well established and unlikely to be reversed".[15] What was of more significance was that the private rented sectors were now in decline in all of the comparison countries, at least in proportionate terms, and possibly in the majority

in absolute terms. Inflation, stagnating incomes, and support for other sectors were all playing a part in bringing about decline.

The Committee had found little evidence to suggest that shorthold tenancies were being established on any significant scale and was disturbed to note that since the removal of the requirement to register a regulated rent in such cases outside London, "it would no longer be possible [for the DoE] to monitor the number of such tenancies [except in greater London]".[16] It also doubted whether assured tenancies would "make more than a minor, if useful, contribution to providing some good quality rented accommodation[17] for those prepared to pay fairly substantial rents, unless radical change, for instance, removing the upper limit for rent allowance and the extension of capital allowances to assured tenancies [was] introduced".[18]

In the final chapter of the report the Committee identified 'areas of concern' which led to the making of recommendations. One related to the lack of reliable information available, particularly on the incidence of lettings outwith the Rent Act and the levels of rent for such lettings, and the relationship between incomes, rents and other outgoings. It recommended that the Government undertake appropriate surveys, and also monitor the growth of shorthold and assured tenancies.

Another area of concern was the incidence of harassment of

tenants. Additional measures were required to reduce this and the Government should also consider the establishment of 'some form of Housing Court' to aid the speedy resolution of disputes.

On a more general note, the Committee was of the view that the social and economic consequences of allowing the sector to decline would be very considerable. Even if public sector output was 'increased above the low level now forecast' a further decline in the quantity and quality of houses in the sector was likely to cause stress and it would be unable to perform its traditional role of providing for the young, the transient, and many of the non-family households. "The only way in which a substantial improvement [could] be effected without placing unjustifiably heavy burdens on landlords or tenants [was] by significant changes in the distribution or total of subsidies".[19] If this was accepted, one possibility was to develop the assured tenancy concept but with security of tenure. "Other possible mechanisms by which assistance could be provided [included] changes in the treatment of rental income and depreciation to assist landlords, rental tax relief for tenants, and some wider ranging American or European subsidy system aimed at both landlords and tenants. - - The Government should carry out an assessment of the feasibility and Exchequer cost of a system of assistance which would achieve comparable rent burdens for tenants across the whole rented stock".[20]

During the Committee's discussion of the draft report there had been thirteen divisions but only one had resulted in a significant change to the text - the omission of a paragraph which referred to the importance which many witnesses had attached to the need for political consensus towards the sector in order to create confidence among investors, and the Committee's conclusion on the basis of this evidence, that "without some well defined, agreed long term policy to increase confidence the relative importance of the sector [would] continue to decline".[21] Nine of the thirteen divisions had been on amendments proposed by one of the Labour members, David Winnick[22], and were defeated by voting on party lines.

The Response & Subsequent Developments

As has been seen the Government's intention to extend capital allowances to investment in new building for assured tenancies had already been announced by the time the Committee's report was published but it does seem likely that its deliberations influenced the decision[23] however, in its response to the report[24], although the Department intimated an intention to pursue the recommendations on harassment and to consider the possibility of establishing a Housing Court, [and although there was to be subsequent evidence of increased monitoring of developments in the private rented sector as had also been advocated], on the broader issues concerning the future of the sector it merely reiterated the Government's own measures.

In the event it was not until some 6 years later that improved arrangements for dealing with harassment were introduced under provisions of the Housing Act, and the Housing [Scotland] Act, of 1988. Previously, it had been an offence for any person to harass a residential occupier with the intention of causing him to leave his home, and the test of intent had been difficult to prove. Henceforth it would be an offence to harass an occupier knowing that it was likely to drive him out - which could be expected to be easier to prove. These changes were accompanied by a new civil right to improved compensation for tenants driven out by harassment.

Through other provisions of the 1988 Housing Acts, and as the Committee had suggested [although doubtless not as all, if any, of the members had envisaged], the assured tenancy concept was developed [and extended to Scotland]. All landlords would now be able to grant assured tenancies; landlords no longer had to be approved by the Secretary of State; and such tenancies would no longer be restricted to new or improved dwellings. As previously, assured tenants would have full security of tenure for the 5 year duration of their initial tenancy provided they complied with its terms. At the end of the tenancy the tenant would have the right to a new one on terms which might be agreed between the parties, or if they could not agree, at a market rent determined by a rent assessment committee.

The 1988 legislation also modified the provisions applying

to shorthold and short tenancies, in future to be known as 'assured' shorthold and short tenancies. Although a tenant renting on such a basis would continue to have the right to apply for registration of a rent, the rent would be a market rent instead of a 'fair rent' as previously. The rent determined would, however, reflect the limited security of tenure which was to be reduced to a new minimum of 6 months.

The provisions relating to existing tenancies under the Rent Acts remained generally intact [although modifications were made to rights of succession to such tenancies], and it was in order to deter any attempt by landlords to gain vacant possession of affected properties, repeating the events subsequent to the 1957 Act, that the new measures on harassment had been framed.

During the Second Reading Debate on the English/Welsh Bill which was to become the 1988 Housing Act, Clive Soley, Labour's spokesman, criticised the proposed changes to assured tenancies. Assured tenancies were 'no longer assured'. The requirement for approval of landlords by the Secretary of State had been abandoned and there was no provision for registration of responsible landlords as the previous Housing Minister [John Patten] had undertaken there would be. "An assured tenancy [was] in fact an insecure high rent tenancy and as a shorthold assured tenancy an insecure let. There could be no consensus between the parties on such a policy".[25] Significantly, however, he did not commit a future Labour government to repeal of the

provision.

Labour's policy document on housing published in 1991 did not contain comprehensive proposals for the private rented sector because, it was explained, "the upheavals that followed the Conservatives' 1988 Housing Act, which undermined tenants' rights [had] yet to settle down", and consultation was continuing with landlords, investors in housing, tenants's groups, and pressure groups.[26] It was recognised, however, that uncertainty could influence investors' decisions and it was "guaranteed that there would be no retrospective legislation in the private sector".[27]

When - the document advises - Labour did introduce reforms they would be influenced by several considerations. There was a clear need for both a 'market' sector for more affluent mobile households, and for a regulated sector for those in housing need 'where housing benefit was payable and rents were reasonable'. It might be better to look at grants to repair property as well as tax reliefs [echoes of the Environment Committee report?] rather than, as at present, subsidising rents entirely through housing benefit. Short term lets were not ruled out but it would be expected that lower rents would be charged in such cases to reflect the limited security provided. Non residential landlords would be required to register with the local authority so that advice could be provided on availability of accommodation and the nature of tenancies offered, and so that the behaviour of landlords could be monitored. Finally, the

arrangement whereby the Business Expansion Scheme was available to provide tax relief to investors in private rented housing [which had operated since the 1988 budget] would be discontinued. While some housing associations had benefited from the scheme other proposals which Labour had to increase production, particularly the establishment of a National Housing Bank to provide finance for both housing associations and the private sector, would render it redundant.[28]

Reference to the private rented sector in Labour's manifesto for the general election in April 1992 was restricted to two sentences.

> "In the private rented sector there is a need both for homes at market rents and those where rents are regulated and housing benefit payable. We will consult fully before introducing reforms and will not legislate retrospectively".[29]

There was no mention of registration of landlords although there may well be subsequent pressure within the Party for this, at least for lower rented houses, and what constitutes 'regulated rents' is not clarified. However, there seems to be a willingness in general to go along with current policies on higher rented property.

If sufficient of a consensus does exist, and if potential investors perceive this to be the case, then there may be some prospect for growth in the sector provided there is a reduction in the competitive advantage enjoyed by owner

occupation through the impact of inflation, and mortgage interest tax relief. There is evidence of some success in tackling the former and, although both the principal Parties continue to commit themselves to the perpetuation of the latter, the indications are that there is tacit agreement to allow it to 'wither on the vine'. The mortgage ceiling of £30,000 up to which interest relief is allowable has not changed under a succession of Conservative Chancellors since 1983. At the time of the 1992 budget it was announced that relief would henceforth be restricted to the standard rate of tax. At the subsequent general election Labour, for its part, promised that mortgage interest tax relief would continue as at present.[30] There has been a suggestion [31] that mortgage interest tax relief and housing benefit be replaced by a universal needs related housing allowance - phased in over a period of about ten years, but clearly this cannot enter the agenda as long as current postures go unmodified.

NOTES AND REFERENCES - CHAPTER VI

1. The Housing Act 1980.

2. Tenants' Rights, Etc. [Scotland] Act 1980.

3. Gillet, E., Investment in the Environment, Aberdeen University Press, 1983. p.45

4. Housing Policy - A Consultative Document, Cmnd. 6851, H.M.S.O., 1977.

   Scottish Housing - A Consultative Document, Cmnd. 6852, H.M.S.O., Edinburgh, 1977.

5. The Housing and Planning Act 1986.

6. See Ch.II, p.2.

7. HC 40 I 1981/82 First Report from the Environment Committee, Session 1981/82, The Private Rented Housing Sector, H.M.S.O., 1982. par. 81.

8. Bruce Douglas-Mann.

9. HC 40 I 1981/82 op. cit. par. 23.

10. Ibid. par.25.

11. Ibid. par.41.

12. Ibid. par.55.

13. HC 383 1980/81.

14. HC 40 I 1981/82 op. cit. par. 66.

15. Ibid. par. 68.

16. Ibid. par. 73.

17. 6 years after the introduction of the assured tenancy scheme only some 600 tenancies had been established.

18. HC 40 I 1981/82 Op. Cit. par. 74.

19. Ibid. par. 102.

20. Ibid. par. 104.

21. Ibid. p.49.

22. See Ch.II, p.3.

23. 123 H.C. Deb. 6 S. Col.710.

24. HC 54 1982/83 The Private Rented Housing Sector: Government's Reply to Report by Environment Committee.

25. 123 H.C. Deb. 6 S. Col.637.

26. A Welcome Home - Labour's New Strategy for Housing, The Labour Party, London, 1991, p.15.

27. Ibid.

28. Ibid.

29. Its Time to get Britain Working Again: Labour's Election Manifesto 1992, The Labour Party, London [1992], p.20.

30. Ibid. p.20.

31. National Federation of Housing Associations, Enquiry into British Housing, NFHA, London, 1985.

SECTION III

SLUM CLEARANCE & IMPROVEMENT POLICY

INTRODUCTION

Slum clearance to which emphasis had been given in the 1930s but which had come to a halt with the outbreak of war was recommenced in 1954, priority having been given in the earlier post war years, by both Labour and Conservative governments, to increasing the output of new houses.

As mentioned in Chapter III it had been announced in the White Papers produced by the Conservative Government in November 1953 that the recommencement of slum clearance was to be accompanied by increased attention to the improvement of those older houses considered to be worth retaining. Improvement grants had been available - at local authority discretion - since 1949 [the emphasis being on improvement, not on subsidising landlords to catch up with backlogs of repairs] but the conditions were restrictive and because of the priority being given to 'new build' there was little publicity.

In 1954 to encourage the utilisation of grants, the level of grant was raised, conditions eased, and publicity improved. Although there was a marked increase in the take up in the owner occupier sector, demand in the private rented sector remained sluggish.

Clearly the lack of demand on the part of landlords was to an extent related to restrictions on rental income - they were only allowed an increase equivalent to an 8% return on

their share of the cost. There were also, however, other impediments to a higher level of improvement activity. Some local authorities, particularly in Scotland, considered that it was wrong to give grant assistance to private owners whom they regarded as not requiring them, and refused to participate in the operation of the system. Other authorities made payment of grant conditional on the carrying out of extensive repairs the cost of which was not grant eligible. Further, there was the problem that the standard of improvement required, envisaging as it did a 30 year minimum life for the improved property, was neither practical nor economic in the case of many dwellings lacking in basic amenities. In 1959 therefore the 'standard grant' was introduced for short life improvement involving the installation of such amenities. Provided certain criteria were met payment of this grant was to be mandatory. At the same time the rent increase allowed was raised from 8% to 12.5% of the landlord's share of improvement cost.

Once again, improved arrangements brought a marked upsurge in demand from owner occupiers, but very little response from private landlords. The reaction to this continued lack of enthusiasm on the part of private landlords was the inclusion in the Housing Act 1964, by the Conservative Government, of measures to require the compulsory improvement of private rented houses in areas designated as 'housing improvement areas'. In the event the procedures involved proved cumbersome and were little used by local authorities.

In its Housing Programmes produced in 1965 the Labour Government, returned to power the previous year, 'broadly' assessed new housing needs for Great Britain as including 'about one million to replace unfit houses already identified as slums' and 'up to two million more to replace houses not yet slums but not worth improving'. Of the total, half a million were required in Scotland. The Government recognised, however, that in assessing housing needs in general there was a need for better information. In particular "one of the most difficult [information] gaps to fill [concerned] the condition of the housing stock. A set of common standards [was] needed by reference to which assessments [could] be made of fitness for habitation and particularly for improvement".[1] And, it was intimated, a sub-committee of the Central Housing Advisory Committee [the Denington Sub-committee] was currently examining the formation of such standards. Subsequently a sub-committee of the Scottish Housing Advisory Committee was to be appointed with a similar role - [the Cullingworth Sub-committee].

The Report of the CHAC Sub-committee was published in 1966 under the title 'Our Older Homes: A Call for Action'[2] and the Report of the SHAC Sub-committee in 1967 under the title 'Scotland's Older Houses'.[3] It is with the work of these two sub-committees and the policy reflected in the housing legislation passed in 1969 with which the first chapter of this section is concerned.

The second chapter explores the review of housing improvement policy carried out by the Expenditure Committee of the House of Commons in 1973 and the policy changes reflected in the housing legislation passed in 1974.

SECTION III - INTRODUCTION - NOTES

1. Ministry of Housing & Local Government *The Housing Programme 1965 to 1970*, Cmnd. 2838, H.M.S.O., 1965, par.3.

2. Ministry of Housing & Local Government, *Our Older Homes: A Call for Action*. *op. cit.*

3. Scottish Development Department, *Scotland's Older Houses*, *op. cit.*

CHAPTER VII - THE DENINGTON & CULLINGWORTH REPORTS AND THE 1969 HOUSING ACTS

The Denington Report

The CHAC Sub-committee was appointed in February 1965; its terms of reference being :- "to consider the practicality of specifying objective criteria for the purposes of slum clearance, rectification of disrepair and other housing powers relating to minimum tolerable standards for housing accommodation; and to make recommendations".[1]

The Sub-committee had a membership of eleven including :- two local government elected members, Mrs Evelyn Denington [who chaired the Sub-committee] from the Greater London Council, and K C Cohen from Leeds Corporation - [each chair-person of their respective housing committees]; two academics - J B Cullingworth, the Director of the Centre for Urban and Regional Studies and D V Donnison, Professor of Social Administration at the London School of Economics who had also been a member of the Milner Holland Committee; [both Cullingworth and, as has been seen, Donnison, had researched and written extensively on housing issues. The former was subsequently to chair the SHAC Sub-committee, with similar terms of reference, discussed later]; two representatives of the medical profession specialising in public health; a housing director; an architect; an environmental health officer; and a representative of the National Building Agency.

The Sub-committee took written evidence from the local authority associations, from fifteen local authorities covering a range from the G L C and the corporations of major cities to rural district councils; and from some twenty other organisations predominantly representative of the building, environmental health, and medical professions, but also including the Building Research Establishment, the Building Societies Association, and the National Association of Property Owners. Written evidence was also received from eight individuals, predominantly environmental health professionals. Oral evidence was taken from one rural district council, the Association of Public Health Inspectors, the National Federation of Property Owners and an environmental health officer. In addition, the Sub-committee visited eight local authority areas to inspect housing conditions and improvement initiatives. The Report was published in June 1966.

The Sub-committee did not commission any significant research. A fact which is made clear at the beginning of the Report - "We were asked to go ahead with devising new standards as quickly as possible without undertaking major research projects".[2] Cullingworth and Donnison in a note of reservation to the Report, arguing that a ventilated food store should not be a mandatory requirement in a dwelling, make the following critical observations regarding the lack of research.

"In the time available for the work of the Committee no

direct inquiry into the attitudes and opinions of the households whose needs we are considering was possible. Indeed, we were specifically advised not to undertake major research projects. This was unfortunate: the surveys undertaken for the Milner Holland Committee have demonstrated how useful research can be. As a result the Committee's recommendations on standards largely represent the consensus of technical opinion. In one respect [the ventilated food store] - and there may be others - this is contrary to the weight of popular opinion".[3]

The Sub-committee identified at the outset a serious lack of information about older houses, but it was clear that the current rate of clearance of unfit housing was inadequate, and there was in addition the continuing problem of the deterioration of the existing stock - 'a vital national asset'. A comprehensive approach was required to the need for maintenance, improvement and slum clearance. If such a policy was to be pursued local authorities required more information about the condition of the stock in their areas and the Minister required information both to assess the total demand and to give priority in resource allocation to those authorities with the most acute problems. Local authorities should have a duty to assess the condition of all houses in their areas; methods were described whereby sample surveys could be carried out to assess conditions and it was suggested that the Minister might have a national sample survey carried out on such a basis, with follow up surveys being carried out perhaps once every three years.

The information having been collected, local authorities should be required to draw up plans for the implementation of appropriate programmes - clearance and improvement, on an area basis, with targets approved by the Minister there was scope for further research on the relative advantages of redevelopment and rehabilitation from the viewpoint of economics and it is suggested the Minister might sponsor further work in this connection.[4]

Both the existing standard for assessing whether a house was unfit, and that used for assessing whether an improved house qualified for discretionary grant assistance [a standard which the Sub-committee suggested should in future constitute the definition of a 'satisfactory' house] were, in general, considered adequate, although some amendments were recommended to both, and the former should be spelled out in a positive form. In the evidence received there had been substantial support for a new condemnatory standard closer to the improvement grant/proposed 'satisfactory' standard but the Sub-committee had "not been able to accept this as practical at the present time".[5]

While there was scope for expressing standards in more objective terms a substantial element of judgment based on experience must continue to be utilised. What was needed were more explanatory notes to indicate in greater detail what was required. The Sub-committee had been impressed by how well the existing standard for dealing with unfit houses had operated in practice. Although some local authority

estimates of the extent of unfit housing within their areas might be 'wide of the mark' there was little reason for believing that there was a significant lack of uniformity of application of standards when slum clearance areas were being made. Almost all houses represented as unfit by local authorities had been found by the Ministry to be so. Criticism of local government proposals was often seen to be directed not so much at the standards used to assess the fitness of a dwelling as to the terms of the compensation payable to owners. [A matter, it was noted outwith the Sub-committee's terms of reference].

As standards rose, from those based purely on public health criteria, to take account of what was socially acceptable and of individual expectation, it followed that environmental factors became more significant. A house could not be considered satisfactory if its environment was not satisfactory. Where living conditions were considered intolerable as a result of noise [including excessive traffic noise], atmospheric pollution, or vibration, and there was no foreseeable prospect of remedying the problem, then the houses in the vicinity should be demolished. Where the objective was to improve the dwellings in an area, then attention should be given to environmental improvement, and securing ready access to amenities and facilities.

"Sound houses must be maintained in good repair and improved where practicable. Successive Governments [had] tried to secure the voluntary modernisation of these houses but the

response [had] been inadequate and disappointing. Present measures of compulsion, which [applied] in limited circumstances to tenanted property [under provision contained in the Housing Act 1964] [had] proved ineffective, perhaps because of the cumbersome procedure. In our view there is a need both for effective compulsion to improve and maintain the better old houses and more pressure for early clearance of the worst".[6]

Standards both for improvement and maintenance, should be applied and enforced across the entire range of tenures. "It is arguable that the conditions in which owner-occupiers live are their own business. Nevertheless it is wrong from the point of view of the public interest for one house in a terrace, for example, to be allowed to lower the standard of the remainder because the owner is unwilling or unable to keep it in a reasonable condition".[7] The legislative provisions applying to maintenance were also considered to be inadequate. Those under the Housing Act could only be used if a house was as a result of disrepair unfit; and then only if the property could be rendered fit at 'reasonable expense'. Those under the Public Health Act were intended for the abatement of statutory nuisances. In either event the standard of repair which could be achieved was a very low one. Powers were required which would allow the effective tackling of disrepair at an earlier stage, and there would be advantage in embodying the various procedures of the public health and housing legislation in a single code.

Regarding the standards for maintenance the Sub-committee could 'see no escape from some concept of reasonable cost' as a test of what level of work should be done. Three standards for maintenance relating to the general standard of the property in question were suggested. Work on property which was unfit and could not be made fit at 'reasonable expense' should be the minimum to make it weatherproof and deal with other nuisances. Property essentially sound but incapable of improvement should be kept in 'satisfactory repair' and that which could be brought to or which already met the proposed 'satisfactory' standard should be kept in 'good repair'.

Turning to the question of funding repairs the Sub-committee rejected the possibility of introducing a repair grant, and hoped that higher level of repair activity would flow from implementation of the 1965 Rent Act. "We recognise the difficulties created by past controls but we have come to the conclusion that to concede the principle of grants would be to put a premium on neglect - - - Repairs must be seen to be part of the duty of property owners but clearly it must be made economically possible for them to carry out this duty. At present this is frequently not the case. For rented property we hope that the Rent Act 1965 will help to deal with the situation when controlled properties are brought within the system of rent regulation. This ought not to be too long delayed".[8] Some owners would continue to have problems but these could be met by several possible arrangements: local authorities providing loans [in the

case of elderly owners registering a charge against the property]; requiring the local authority to buy the property where an owner so elected; etc.

If improvement was to be compulsory then it was considered that the existing arrangements for mandatory grants and loans would require attention [although unlike the SHAC Report neither this point nor the relationship between mandatory grants and discretionary grants was developed in detail]. In addition urgent attention should be given to the adverse impact of the taxation provisions on housing improvement by landlords. "Again we draw attention to the financial position of private landlords and to the difficulties [made clear in the Milner Holland Report] which present taxation imposes on landlords seeking a reasonable return form the improvement of residential property with a life shorter than 25 years".[9] Further study on means of overcoming both this problem and the problem of low controlled rents was recommended.

To ensure that adequate attention was given to improvement work, local authorities should be required to submit programmes to the Minister for approval. Although, in general, the objective should be to improve sub-standard property to the proposed 'satisfactory' standard there would be cases where, because full improvement was not physically practical, or for planning reasons a short life was envisaged, a lower standard of improvement would be appropriate. The standard for such improvement should be

that currently applying to properties improved with the 'standard' [mandatory] grant. [Both Leeds and Bristol where considerable amounts of improvement had been carried out, had been visited by the Sub-committee and details of the approach adopted in Leeds were included in an appendix to the Report.]

Where a local authority could not undertake to clear all the unfit housing property designated for demolition within a seven year period, because of the scale of the problem in the area, a programme of acquisition and patching should be undertaken on similar lines to an extensive programme carried out in Birmingham.

Cullingworth dissented from the recommendation with regard to compulsory improvement of property. He argued that while a case could be made for compulsory repairs on the grounds that neglect of one property could adversely affect the interests of adjoining properties, and that a community asset was being allowed to decay, this argument could not be fairly extended to improvement which by definition involved much more than the arrest of decay. Compulsion could perhaps be justified when applied to facilities falling within a 'minimum socially acceptable standard' such as the availability of a WC, but the proposed minimum standard for a satisfactory dwelling went far beyond this. Before recommending compulsory improvement it was necessary to ask why voluntary improvement had proved inadequate. It was, in Cullingworth's view, for two reasons. First - with

regard to the private rented sector - because landlords were denied a reasonable post tax return on their properties. While the Sub-committee was recommending changes in this direction the other members looked upon it as an essential corollary to compulsory improvement. He, however, regarded it as a desirable reform which would make compulsion largely irrelevant. [Given such circumstances, if a tenant was denied improvements, then compulsion would be justified]. Second - more generally - it was because the improvement grant scheme had 'suffered from a lack of positive and purposive encouragement'. Some authorities notably Leeds and Bristol had demonstrated what could be done by adopting a 'forceful [yet understanding] and direct approach to individual owners on an area by area basis'.

The Cullingworth Report

The SHAC Sub-committee began its inquiry late in 1965, some nine months after the CHAC inquiry started. This delay was clearly attributable in part to the fact that the Scottish Committee had to be reconstituted [this being done in May 1965].[10] It seems rather surprising, however, that a further six months were allowed to elapse before the Sub-committee began work particularly when it was than 'urged to report as a matter of urgency'. Perhaps it was considered advisable to allow time for the general trend of the Denington inquiry to emerge, and also for the initial results of a housing survey which was being conducted, to become available. The Sub-committee's terms of reference were:- "to examine the present statutory provisions relating to the

determination of unfitness for human habitation and to make recommendations for amendments."[11]

The Sub-committee had a membership of seven. In addition to Cullingworth the chairman, it included two local government elected members, a medical officer of health, an environmental health officer, an architect, and a builder.

Written evidence was received from:- the four counties of cities; the county councils; a wide range of large and small burghs; property owners and factors; and the public health, housing management, town planning, and building professions. Visits were made to Glasgow and Dundee, and to four counties - three predominantly rural. Oral evidence was taken from representatives of the local authorities in the places visited, and from the public health professions and the RICS.

The Sub-committee's Report was published in February 1967. It is considerably longer than the Denington Report extending to 288 paragraphs, while the latter contains 90. It also is more outspoken and this is made explicit. "We have found ourselves forced to use strong and emotional language. Some may feel that this is inappropriate for an official committee of inquiry; but we have not hesitation in expressing ourselves thus",[12]

The first chapter is devoted to the historical background to housing conditions in Scotland and legislative measures introduced over the years in an attempt to tackle perceived

problems. The opening sentence reads - "It seems that housing conditions in Scotland have always been relatively poor compared with those obtaining in England".[13] Descriptions of Scottish housing conditions are quoted ranging from those by English travellers in the 18th century, through to the Report of the Royal Commission on Scottish housing conditions published in 1917.[14] Reference is made in particular to the high incidence of tenemental property in Scottish towns and it significance. "The tradition of tenement building in the big Scottish towns has had ramifications throughout the whole social and economic fabric of Scotland's urban life, and helps to explain some of the differences which exist today between England and Scotland in housing conditions and housing policy".[15] It is emphasised, however, that poor housing conditions were not restricted to towns and that housing conditions in rural areas had been described by the 1917 Royal Commission as just as bad if not worse than in urban areas.

The second chapter outlines the scale of the problem and identifies reasons why so little progress had been made in tackling it. As indicated earlier the Sub-committee had had access to advance information on the results of a housing survey which had been recently conducted. "This clearly shows how inadequate are the official returns of unfit housing. We suspect that even the survey figures underestimate the problem, but they show that, whereas the official returns indicate about 100,000 unfit houses, the true figure is considerably greater. Some 144,000 houses are

unfit and have a life of less than 5 years. There are a further 129,000 houses which would probably have been included in the first category were this not already of such large dimensions. This gives a total of 273,000 houses which should be demolished rapidly. We think the target should be to get rid of them within ten years; an average of 27,000 demolitions a year. By contrast the present rate of clearance of unfit houses is only 15,000 a year - - -. But even this does not indicate the full extent of the problem - - - there are a further 193,000 houses which have a life of 15 - 29 years. Many of these would undoubtedly have been regarded as having a considerably shorter life if there were not so many worse houses which must be cleared first".[16]

"The problem would be more measurable if it were evenly spread throughout the country, but in fact it is heavily concentrated in certain areas particularly in the larger cities, and above all in Glasgow. - - - We have seen conditions in Glasgow that can be described only as appalling. Families are condemned to live in atrocious conditions which should shock the national conscience -"[17] "The enormity of the problem in Glasgow should not, however, obscure the very different but acute problem of unfit housing in rural areas. We, ourselves, have seen families inhabiting rural cottages in unbelievably squalid conditions - without water, electricity or sanitation".[18]

In the Sub-committee's view "the situation in the country

generally and in Glasgow in particular [constituted] an indictment of Government policy. - - - though local authorities by no means [came] through [the] examination unscathed; the problem, especially in Glasgow [was] of such huge dimensions as to place it beyond the resources of a single authority".[19]

Central Government was considered to have 'failed' in 5 aspects. It had failed:-

1. by avoiding the real problem in accepting local authority estimates of the size of the problem;
2. by taking insufficient account of the resource implications of more rapid slum clearance which it had 'exhorted' local authorities to undertake;
3. by paying insufficient attention to how local authorities were using resources, in particular the proportion of new housing allocated to slum clearance;
4. by regarding the problem as a 19th century legacy which would gradually disappear and, as a result, giving insufficient priority to improvement, to short term patching, and to arresting decay;
5. by retaining the 19th century concept of insanitary and 'unhealthy' housing and not adjusting standards for old housing to reflect rising standards in new housing.

Local authorities were criticised; for not making adequate assessments of the problem; for not allocating sufficient of their resources to slum clearance; for giving insufficient attention to improvement; and for carrying out very

little short term patching.

In tackling the problem [as with the Denington Report], a comprehensive approach was advocated involving clearance, improvement, short term patching [where unavoidable], environmental upgrading, and improved maintenance, and with plans based on an accurate assessment of needs ignoring the restraints of resources. The determination of priorities at national and local level should be based on this assessment.

Nationally there must be a channelling of resources to the areas with the greatest problems. Locally there must be a concentration of resources on areas of bad housing, and local authorities should allocate a higher proportion of new build housing to slum clearance, than had been the case in the past. "Priority for this, means of course, that fewer houses will be available for other needs but this must be. The philosophy of 'equal shares for all' has to be rejected, since it is the very negation of a policy of priorities".[20]

With regard to improvement much more 'purposive action' was required. Proportionately the Scottish annual rate of grant aided improvements was only half the English figure. This 'extremely disappointing progress' was attributed to four factors. The difficulties of improving the typical Scottish tenement, the level of grant available, the return allowed to private landlords, and the attitude of local authorities.

Although the Sub-committee recognised that tenemental improvement was complex and that some local authorities were of the view that it was uneconomic, evidence suggested, particularly from the example of Dundee, that improvement of certain types of tenement could be worthwhile. It accordingly recommended that research on this topic should be carried out and a manual of plans and advice should be prepared and circulated to local authorities. In addition improvement grant levels for tenements should be reviewed.

On the question of the return available to landlords on improved property the Sub-committee identified the same two issues that Denington had - income tax arrangements and rent control. Attention was drawn to the disincentive effect of tax provisions on short life improvement of property, and included in the Report is an extract from the relevant section of the Milner Holland Report.

The existing constraints on rent increases permissible on houses improved with grant assistance [12.5% of the landlord's share of the improvement costs] were seen as acting as a further disincentive, and it was advocated that the rent regulation machinery of the 1965 Rent Act be extended to such properties. While the Denington Sub-committee was opposed in principle to providing grants for repairs, they considered that if their recommended changes regarding rent levels were not introduced - and they 'recognised the political difficulties to which the proposals would give rise', then grants for repairs should be conceded and the percent-

age level of improvement grant increased from the existing 50% to 75%

The Sub-committee was particularly critical of the attitude of some local authorities with regard to improvement grants - "one local authority [Ayr Burgh] shocked us by responding that they 'do not operate the discretionary improvement grant provisions of Sec.III of the Housing Act'"[21] And on the same theme - "We were appalled by the strong political line taken by some authorities who refuse to operate the discretionary grants scheme on the principle that it was not their business to support and subsidise the private housing sector. - - If the situation were not so tragic we would regard it as Gilbertian. It results in families having to live in totally inadequate and frequently intolerable housing conditions until such time as the local authority think they can catch up with the problem - - - this is sheer delusion: houses are deteriorating faster than new ones can be built."[22]

In view of such opposition by some local authorities and the 'half hearted way' in which other local authorities administered the grants scheme it was recommended that right of appeal provisions should be introduced, analogous to those under town planning legislation "as protection against the arbitrary [and, indeed, irresponsible] use of power";[23] and the Secretary of State should require local authorities to conduct surveys and submit proposals for dealing with sub-standard properties. In addition to overcoming the reluc-

tance of some local authorities to making grants available there was also a need for greater flexibility on their part in the interpretation of provisions applying to grants, and in this connection the existing discretionary and mandatory grants [the latter available for short life improvement] should be merged into a single scheme.

Perhaps not surprisingly, given Cullingworth's dissent on the issue in the Denington Report, the Sub-committee did not recommend compulsory improvement of owner occupied houses. It did not address the matter at length, possibly to avoid too striking a conflict with the CHAC conclusions, but restricted itself to recommending that in the case of tenemental upgrading in improvement areas where individual owners were involved, local authorities should not utilise existing powers of compulsion [applying only to tenements] but should instead acquire the properties and carry out the work themselves.

The standard recommended for a 'satisfactory' house was like the parallel Denington standard, based on the standard then existing for discretionary grant qualification. As with Denington, certain amendments were suggested: to introduce, for example reference to structural stability and satisfactory environment.

On comparison the two 'satisfactory' standards are broadly similar, although there are some differences in detail - the Cullingworth standard requiring a 'satisfactory' house to be

'substantially free from rising and penetrating damp' [thereby excluding condensation damp]; the Denington standard requiring it to be 'free from damp'.[24] And there are no corresponding provisions in the Cullingworth recommendations to two requirements in the Denington standard viz. 'satisfactory internal arrangement' [perhaps because of anticipated problems with tenemental improvement], and 'a ventilated food store'. Cullingworth himself had, of course, disagreed with this latter recommendation when on the Denington inquiry.

Regarding the question of an appropriate condemnatory standard the Sub-committee had received 'a great deal' of evidence indicating a need for the existing 'unfitness standard' to be revised, and most of it relating to the lack of clarity and objectivity in the legislative provisions contained in the Housing [Scotland] Act 1962. As with the English legislation, these contained a list of matters to which 'regard was to be had' in determining whether a house was unfit for human habitation. The Sub-committee was in no doubt "that the present 'standard' [was] interpreted in widely different ways in different parts of the country. To a large extent this [was] a reflection on the variations in housing conditions, but this [was] not the only factor. Local authorities [differed] in the urgency with which they [were] tackling the problem and this [was] partly due to the lack of clarity in the present standard. A clearer and more objective standard [would] enable local authorities to assess their problems more accurately and enable the Secre-

tary of State to assess the resources which were needed both nationally and locally to deal with the problem. It [would] also enable property owners - - to establish more easily whether their property [fell] below the statutory standard".[25]

The Sub-committee considered "that the public health basis of the minimum standard should be superseded by a concept more in line with modern thinking. As an indication of this [it was proposed][going beyond the Denington recommendation in this regard], that the term 'unfitness' and 'fitness' should be discarded. [And that] in their place the term 'tolerable' [be adopted], 'tolerable standard' [being defined] by reference to [the] proposed satisfactory standard. This [had] incidentally allowed [the expression of] the standard in positive terms as many witnesses [had] proposed".[26] If a house failed to meet any single one of the criteria listed then it would fail to meet the standard.

With reference to environmental conditions the Sub-committee again went further than its CHAC counterpart - proposing the concept of 'An Area of Unsatisfactory Environment'. This it was suggested might be defined as "an area in which the majority of the houses [fell] below the standard for a 'satisfactory' house, or where the arrangement of the streets [was] unsatisfactory, or where there [were] unsatisfactory environmental conditions such as those of noise, smell, dust, dirt, smoke, inadequate open space [including play space for children] or inadequate provision for gara-

ging and parking of cars".[27] Action appropriate for such areas could be on the same lines as that for clearance areas or improvement areas, or a combination of both, together with environmental improvement such as provision of open space, play areas, parking, etc.

Similar problems existed in Scotland with regard to enforcing maintenance standards as had been identified in the Denington Report, and the Sub-committee recommended that all the existing enactments relating to maintenance should be consolidated in one code, which should be augmented by a strengthening of local authority powers to enforce repairs. The determination of what constituted 'reasonable expense' for establishing the standard of repair required, was something which the Sub-committee considered should be investigated further. They did not have the time available and, in any case, were of the opinion that it could only be fruitfully considered in the context of a rational rent structure.

The Sub-committee had received a considerable amount of evidence criticising the 'cumbersome and protracted nature' of the statutory and administrative procedures involved in dealing with unfit houses, and although it had not been possible in the time available to examine the issue in depth, it was recommended that those provisions be reviewed.

Also, although the question was not within its remit, the Sub-committee had "no hesitation [in recommending] that a

comprehensive review should be undertaken of the provisions relating to compensation for the compulsory acquisition of sub-standard housing".[28]

On 15 February 1967, in reply to parliamentary questions from two Labour Members, the Secretary of State for Scotland, William Ross, advised that he had sent copies of the recently published SHAC Report to all the local housing authorities, to local housing associations, and to a number of professional bodies concerned. The local authorities had been asked for their views, and within the next ten days one of his junior ministers would be having preliminary discussions with their housing conveners. Separate discussions were to be held shortly with the other bodies.[29]

The English/Welsh White Paper

On 21 September of the same year, Richard Crossman, by then Lord President of the Council and Leader of the House of Commons, recorded that he had had a meeting with Anthony Greenwood [Minister of Housing] and Bruce Millan [Under Secretary of State at the Scottish Office] "[They] came to persuade me to give them time for a big Bill on the compulsory improvement of old houses. I told them that the Bill is essential provided it's big enough. If they can get the Treasury to agree a really generous formula for compensating owner-occupiers of slum clearance property the Bill will be a winner. If they can't get that I wont give it time".[30]

In April of the following year the Ministry of Housing and Local Government published a White Paper entitled 'Old Houses into New Homes'.[31] [To be followed 3 months later by a parallel Scottish White Paper - 'The Older Houses in Scotland - A Plan for Action',[32] discussed later.] Indicating the main thrust of the intended policy it is stated at the beginning of the English/Welsh document that while "the need for new house building programmes [would] remain for many years ahead - the balance of need between new house building and improvement [was] now changing, so [that] there must be a corresponding change in the emphasis of the local authority housing programmes. The Government [intended] that within a total of public investment in housing at about the level it [had] now reached, a greater share should go to the improvement of older houses".[33]

A major influence on this policy development was obviously the economic problems which had bedevilled the Labour Government and which had come to a head with a devaluation in November of the previous year. The negotiation of an international loan had required that £850m be taken out of the economy, and in the month following the devaluation the Treasury proposed a reduction of 10,000 - 15,000 in the number of houses approved for construction between 1968 and 1969. Although there was grave concern expressed about the electoral consequences, under pressure from other 'spending' ministers the reduction finally agreed was 16,500 per annum.[34]

Increased emphasis on improvement utilising the grant sys-

tem, clearly offered a way of providing some compensation for the reduction in new build output while at the same time achieving a reduction in public expenditure. This interpretation is supported by comments made by Anthony Greenwood during the debate on the Second Reading of the subsequent English/Welsh Bill. Explaining why the Government did not wish to encourage large scale municipalisation of houses requiring improvement he said "If [local authorities] did take them over - - - the increase in public expenditure would be very much greater. Instead of only 50% of the cost of the policy coming out of public funds it would mean that 100% would do so".[35]

Accompanying the increased emphasis on improvement was a change in approach as to how it was to be achieved. Contrary to what was clearly the intention eight months earlier, the Government view now was that "the voluntary principle must be the guiding one".[36] It seems likely that this retreat from compulsion was heavily influenced by the perception that if it were to be rendered politically acceptable a higher percentage grant would require to be paid. Although compulsory purchase powers would continue to be available, the implication was that these would be a last resort, and this was subsequently to be made explicit by the Minister during the Second Reading debate - compulsory purchase orders would not be entertained where they showed a "harsh and unconscionable use of the powers".[37] Again the primary consideration was obviously to avoid extensive municipalisation but a virtue could be made out of a

necessity.

The White Paper included information on the outcome of the sample house condition survey in England and Wales which the Government had commissioned in line with the Denington Sub-committee's recommendation, and which had been carried out early in 1967. It had established that there were more unfit and sub-standard houses than had been known before and that they were more spread out than had been thought before. There were probably 1.8 million unfit dwellings; 1.1 million in clearance areas and 0.7 million which would have to be dealt with individually. Some of these unfit properties would be worth saving and improving. There were in addition 1.5 million dwellings which were not unfit but which required significant repairs and of these 3.7 million lacked one or more of the basic amenities.

In the Government's view "The results of the survey [demonstrated] the need for a new deal for older housing areas".[38] Poor housing conditions were not limited to any particular part of the country, to urban areas, or to particular tenures. Conditions were worse in the North but bad conditions existed throughout the country. The policy behind the legislative changes now proposed was that much more should be done year by year to improve and repair houses which could be improved and eliminate the unfit ones. The Government expected local authorities to be the 'main instruments of policy' in their areas [although there was a useful role for housing associations]. The difference

between areas was very great, powers and methods must therefore be flexible, and local programmes would have to reflect different needs within the balance of a national programme of expenditure on new and older houses.

It is acknowledged that while academic studies had shown ways of relating the cost of immediate replacement to the cost of improvement taking account of the life of the improved property, prevailing interest rates and other factory; there had in practice been difficulties in comparing benefits as rigorously as costs, and further research was being pursued in this field.

But, no further study [was] needed to prove that millions of families were going to be living in unsatisfactory housing for at least another twenty years unless new efforts [were] made, and it [was] already clear that the present grant limits [did] not reflect the maximum which it [might] be worthwhile to spend on improvement".[39]

It is not until paragraph ten that reference is made to the fact that "in reviewing the policy and legislation over the [previous] three years the Government had received the report of a sub-committee of the Central Housing Advisory Committee - - called 'Our Older Houses - A Call for Action'. This [had] advised a 'general'[40] approach to slum clearance and improvement". It is also mentioned that the Minister of Housing and Local Government had published the 'Deeplish Study' in September 1966 which had examined the possibili-

ties of an area improvement, in parts of Rochdale and that subsequently a pilot improvement scheme had been carried out in that area by the Ministry in conjunction with the local authority. The Government had also 'benefited' from two reports on redevelopment initiatives by private sector organisations.

In addressing the improvement and repair of the older housing stock the Government wanted local authorities to give particular attention to area improvement. It was accepted that powers under the 1964 Act had been cumbersome and these were to be repealed. Under the proposed arrangements local authorities would have powers to designate 'general improvement areas' where the aim would be, in line with the 'voluntary principle', to help and persuade owners to improve their houses, and also to assist by improving the environment. Local residents should be fully consulted on the proposals but to avoid delay there would be no requirement for ministerial approval. The maximum level of discretionary improvement grants would be increased by 150%, and the maximum grant for the provision of standard amenities by one third, and local authorities would have powers to waive certain conditions applying to grants, (for example with regard to the minimum anticipated life of the house after improvement and the requirement that all the basic amenities must be provided). Grants would also be available to local authorities for environmental improvement (50% of a maximum of £100 per house) such as the provision of play spaces, car parking, and so forth.

In order to tackle the problem of disrepair which the house condition survey had disclosed, it was proposed to give local authorities powers to secure repairs not only, as previously, when a house became unfit, but where there was 'serious' disrepair. The work required should be 'reasonable having regard to the age, character and location of the house'.

To encourage landlords to improve their properties, and subsequently to maintain them, it was proposed that when a house let on a regulated tenancy was improved with grant assistance the rent should be determined under Part II of the Rent Act and not, as before, by conditions obtaining to the grant; and that where a house, let on a controlled tenancy was improved with grant assistance, the tenancy should become regulated with the rent determined as above. In addition, to secure equity, where a house let on a controlled tenancy had not been improved with grant assistance but could be demonstrated to be in good repair and to possess at least the basic amenities, it too would qualify for a regulated tenancy. In all cases, however, the resulting increases would be phased over a period.

On the question of slum clearance three issues are discussed:- standards for determining unfitness, past and future progress in slum clearance, and compensation for owners of property declared unfit.

With regard to standards "The criteria by which a house

[was] judged to be fit or unfit [were] set out in Section 4 of the Housing Act 1957. The Government [believed] that these criteria [were] in the main still the right ones, but, as was pointed out in the Denington Report, an important contributing factor making for an unfit house [might] be that it [had] a very bad layout: for example, a WC opening directly from the living room or kitchen, and narrow, steep or winding staircases. The Government [proposed] therefore to add the internal arrangement of a house to the list of criteria."[41] There was, however, no suggestion of expressing the standard in a positive form as the Sub-committee had suggested.

Turning to progress on slum clearance, the statistics included showed that 'the number of slums dealt with' in each of the previous 7 years. There had been a fairly marked increase from 61,200 in 1964 [when Labour came into power] to 71,800 in 1967. "This [was] by no means an unsatisfactory record, but it [was] no longer good enough. As more and more new houses [were] built [and record figures were now being achieved] more unfit old houses ought to be cleared. The Government [intended] to continue to give first priority in the allocation of the housing programme to areas with large numbers of slums".[42]

The need for faster slum clearance was related to the question of compensation. "There was no doubt that, as the Denington Committee [had] noticed, the objections local authorities [met] with to clearance proposals [were] not

really so much directed to the standards applied as to the terms of the compensation". The existing position was that if a house was declared unfit for human habitation it could not be assumed to have any value and compensation was therefore restricted to cleared site value, although there were certain qualifications to this. If the interest was that of an owner occupier then the minimum compensation was the gross value of the property for rating purposes. In addition, where a property had been well maintained then the owner, whether an owner occupier or a landlord, was eligible for a 'well maintained' payment up to a maximum equal to twice the rateable value of the property.

"A growing proportion [about 20% nationally and much higher in some areas] of owners of houses in clearance areas were owner occupiers; and they [had] a special grievance. Often they [had] bought their houses when it was not possible to get anything better, and they [had] put their savings into it. In any case, it [was] their home which [was] being demolished and the average difference between site value and the full market value [was] significantly greater for owner occupied than for tenanted houses";[43]

Given these considerations the Government proposed that, although the site value basis for compensation should be continued as a general rule, where a house which had been owner occupied for a minimum period of 2 years was declared unfit by way of the procedures available under the existing housing legislation and was subsequently acquired by a local

authority, the owner would in addition to recovering a sum equivalent to the gross value, also qualify for a supplementary payment equivalent to the difference between the gross value and the market value of the property. Where in the same circumstances a house was declared unfit, but was not acquired, the owner would be eligible for the supplementary payment but not the gross value. In addition the 'well maintained' payments, already available to both landlords and owner occupiers of unfit houses compulsorily acquired, would be increased from twice to four times the rateable value of the property.

The Scottish White Paper

The Scottish White Paper acknowledges in its second paragraph the 'substantial help' which the Government had received from the Cullingworth Report in considering the proposals and goes on to refer to the Sub-committee's assessment that 300,000 houses were in such bad condition that they ought to be replaced quickly - within ten years if possible, and to the need for rehabilitation and improvement of at least 20,000 more.

The Sub-committee's findings implied that 30% of Scotland's total housing stock required 'effective action, taken or planned in the near future'. Subsequent additional information from the house condition survey showed that one ninth of the stock lacked a bath or shower, one quarter a hot water supply, and one ninth an internal w.c. And further research ['A Profile of Glasgow Housing'] suggested that the

lack of amenities was in 'many ways more shocking in Glasgow houses than in the Scottish stock generally'. "As the Cullingworth Sub-committee [had] emphasised, however, statistics alone [could not] adequately describe the problem".[44]

As with the proposals for England and Wales the principal emphasis of the White Paper was on encouraging more voluntary improvement of older houses ['within the total of public investment which had now been reached'], utilising an area approach supported by higher improvement grants with reduced conditions, and by environmental improvement grants. And further proposals - for rent increases for improved houses; for increases in compensation for owners of unfit houses; and for additional local authority powers to secure repairs, were also in line with those proposed for England and Wales.

However, a section of the White Paper is devoted to discussing the 'Typical Problem of the Tenements' which were 'at the heart of the Scottish housing problem'. They constituted 25% of the total stock with the highest proportion located in urban areas where the problems were most severe. Because of the small size of the houses involved, improving such property could be difficult and costly. "It [was] nevertheless important that the improvement of tenements should not be written off as being too difficult or too costly - - . limitation of the range of the improvement work done would enable the cost to be kept down. The

improved houses would generally be smaller than houses [then] being built, but by providing good accommodation for smaller households they would meet the needs of a section of the community whose housing conditions had always been a particular problem".[45] Whether the best approach was replacement or improvement in a particular case could only be decided after individual assessment of the properties concerned.

Because such assessments were likely to result in areas of sub-standard tenemental property being dealt with by a mixture of redevelopment and improvement, and because existing procedures for area improvement had proved cumbersome, the Government [departing from the proposed arrangements in England and Wales] intended to introduce mechanisms which would assimilate clearance and improvement procedures to each other, providing for flexibility and less delay. Although the White Paper does not mention the term, these were to become known as 'housing treatment areas'.

A further difference from the English/Welsh proposals was to be the adoption of a 'tolerable standard' for inter alia identifying those areas requiring treatment. "The Report 'Scotland's Older Houses' [had] recommended that for purposes such as this there should be a statutory standard of 'tolerability' which would depend largely on objective considerations such as the provision within the house of a sink provided with both hot and cold water, and a w.c., but which would also include tests requiring the exercise of

some judgment -. The Government [agreed] that in Scottish conditions a statutory standard would be a desirable starting point for [the new] procedures and [proposed] that the legislation should introduce provisions to define the standard".[46]

With regard to progress in slum clearance the statistics showed an increase in the annual rate of clearance of nearly 5000 per annum to 19,000 per annum in the first 3 years of Labour government. "These figures [were] encouraging as far as they [went] but fell far short of the average of 30,000 a year required to meet the recommendations of the Cullingworth Sub-committee. Determined efforts must be made to increase the rate of clearance and local authorities must use a greater proportion of their available houses [both those newly built and those becoming available for reletting] specifically for the purpose of enabling unsatisfactory houses to be closed".[47]

The English/Welsh Bill

The English/Welsh Bill which received its Second Reading on 10 February 1969 adopted all of the proposals in the White Paper. Anthony Greenwood [Minister of Housing and Local Government] opening the debate introduced a new slant to the argument in support of an increased emphasis in improvement, suggesting that "it had become increasingly clear that it would make good social sense [as well as] good economic sense to prevent old houses deteriorating into slums and to avoid, as far as possible, the breaking-up of well estab-

lished communities by the redevelopment of whole areas".[48]

Many of the areas were old fashioned, but they [were] quiet and near the centre of town. People liked then, and would like them still more if the houses were improved and repaired and the environment made more attractive. So once again there [was] an important human element [there]"[49] The White Paper, the Minister claimed, had 'an almost universally warm welcome', and certainly the spokesmen for both the main opposition parties were generally supportive of the proposals. The only significant criticism came from backbenchers on the Government side with regard to the impact of the planned introduction of regulated rents for improved houses and for those already possessing the standard amenities. One Labour Member, Frank Allaun [Salford East], claimed that there was "an unholy alliance - - between the two Front Benches; they say in remarkable chorus 'Rents must go up'".[50] Addressing the issue the Minister said that the policy on rents set out in the White Paper had "received the longest and most careful and anxious thought",[51] because it was known that some Labour Members were unhappy about it. He had studied 5 published surveys of private landlords including the Milner Holland Report.[52] Although there were disparities, taken together these surveys showed the range of individual landlords owning one rented dwelling as being between 61% and 78% of all landlords. And the proportion of individual landlords who were elderly ranged from 39% to 63%. He had concluded that there clearly were rent difficulties for many landlords in adequately maintaining their property. Although this

argument did not convince Allaun, who was of the view that grants to owners were already generous, and that the 'big property firms which [were] hiding behind the skirt of the small landlords [were] jubilant at the prospect of rent increases', the motion for the Second Reading went unopposed.

The Scottish Bill

The motion for the Second Reading of the parallel Scottish Bill was debated in the Scottish Grand Committee, some five weeks later, on 18 and 20 March 1969. As with the English/Welsh Bill its provisions embraced all the proposals outlined in the preceding White Paper. William Ross [Secretary of State] - opening the debate paid "a sincere tribute to the fine work" which the Cullingworth Sub-committee had done in giving "a new emphasis" to the "problem of Scotland's slums".[53] And having referred to the importance of local authorities allocating a larger proportion of new tenancies to slum clearance and giving "every possible assistance and encouragement to private owners to do [improvement] work themselves"[54] he described the Bill as a "distinctive Scottish" one. "We have different problems in Scotland and therefore the Bill differs from the English Bill".[55]

In outlining the details of the Bill he mentioned the proposed 'tolerable standard', which would require <u>inter alia</u> the "exclusive use of a wc."[56] In fact, the legislation, in requiring that this 'be suitably located within the

building containing the house', fell short of the Cullingworth recommendations which required that the wc be suitably located within the house. Another departure from the Cullingworth recommendations in this connection was the omission of any reference to the state of repair of the property. This point was to be taken up by one of the Opposition spokesmen {Earl of Dalkeith], who pointed out that even the prevailing arrangements required that regard be had to the general state of repair of a house when determining whether or not it was fit for human habitation.

When dealing with the provisions regarding rent increases for improved properties the Secretary of State reminded the Committee that "an important issue stressed by the Cullingworth Report was the need to give landlords who [improved] their homes an adequate return in the form of an increased rent, - [and] the Bill [did] this by providing for the rents of houses which were improved to a fully satisfactory state to be fixed under the 'fair' rent machinery of the Rent Act 1965".[57]

He also referred to the Cullingworth Report in the context of grants for environmental improvements - "for instance, erecting play spaces for children, planting trees and providing parking spaces. The Committee was very concerned about the lack of any provision of this kind, and anybody who [was] familiar with the neglect and squalor that often occurred in the backlands of tenements [would] appreciate the need for it".[58]

Mr Gordon Campbell opening for the Opposition said that Members on both sides of the Grand Committee were indebted to the Cullingworth Committee for its Report. "The Committee did what [could] only be described as an excellent job and its findings and recommendations should claim Members' full attention and study. [He hoped] in due course action [would] be taken in line with all the recommendations of the Cullingworth Committee. This Bill clearly [was] based on the Report of that Committee and [did] to some extent follow its recommendations. To that extent [he welcomed] it".[59]

The Conservative Members collectively drew attention to several departures from the Cullingworth recommendations; - there was no provision for appeal in the event of refusal of an application for improvement grant; there was no mention of changing the tax provisions applying to improved tenanted property; and [as previously mentioned] the state of repair of property was not included in the 'tolerable standard' criteria. However, there was also an evident willingness to combine with Labour Members in pointing out that Scotland was getting more favourable treatment than England. - Sir Fitzroy Maclean [Conservative], Bute and North Ayrshire - "I also welcome the Bill because it gives more generous treatment to Scotland than is being given at present to England. Like other Conservative Members, I, too, feel that it is a pity the hon. lady, the Member for Hamilton [Mrs Ewing} has not chosen to grace the Committee with her presence today to take on that point".[60] Mr William Hannan [Labour Glasgow, Maryhill] - "The Bill is different from other legislation in

that, in these provisions applying to Scotland, particular emphasis is laid on the replacement of older houses, whereas in the legislation for England and Wales the emphasis is on improvement. Most of us welcome this feature".[61]

This latter point was underlined by the Minister of State - J Dickson Mabon - in winding up the debate. "The principal purpose of the Bill, as distinct from the English Measure, is to clear away slums faster than we have done before. This is the first thing. Its object is not to keep going many old houses which ought not to be left standing".[62]

The Reports Compared

Clearly the SHAC Report was given a more enthusiastic reception by ministers [and by Labour and Conservative MPs], and was given more visibility, than was the CHAC Report. And, while a considerable proportion of the proposals contained in the English/Welsh White Paper could be related to the CHAC Sub-committee's specific recommendations or suggestions for review of existing policies there was sufficient evidence of lack of consensus and unhappiness with the attitude of the Department evident in the Report, to reduce its utility. Perhaps most significantly, however, as the result of the Government's volte-face on compulsory improvement of owner occupied property, the Sub-committee had 'got it wrong'.

The SHAC Sub-committee, on the other hand, had not only escaped such pitfalls, but also produced in a forceful

style, at a time when the Government and the Conservative Opposition were regarding with concern a perceived threat from the SNP, a report, which highlighted the special nature of the Scottish housing problem, and by implication, provided a case if not - given the prevailing economic circumstances, - for more resources, at least for no reduction of resources, and also for 'distinctively Scottish' legislative provisions. Beyond that, the Sub-committee's detailed examination of, and comments on the improvement grant system provided a basis for justifying higher levels of grant and for defending the resource implications, while also offering scope for encouraging the greater commitment on the part of local authorities which was essential to the implementation of the scheme.

The views of both Sub-committees may also have been used to support the case for higher expenditure on compensation to owner occupiers of sub-standard housing, although only the CHAC Sub-committee's observations in this connection were referred to during the parliamentary debates. The SHAC Sub-committee's recommendations were also referred to when justifying the provisions for higher rent levels for improved houses in the Scottish Bill, although in the case of the English/Welsh Bill the minister concerned quoted in support the Milner Holland Report *et al.*

Given the Government's claim that the purpose of the Scottish Bill was to accelerate slum clearance, as distinct from the English/Welsh Bill where the emphasis was on improve-

ment, it is interesting to compare the pattern emerging from the two policies. Examination of the slum clearance figures shows, that in Scotland, the annual average rate of demolitions and closures over the four years subsequent to 1969 was 2.1% higher than the 1969 level,[63] while in England and Wales, on the same comparison the rate fell by 3.4%[64] The small upturn shown in the Scottish average was, however, attributable to increases over the 1969 figure [17,847] in the years 1971 [20,555 - up 15.16%] and 1972 [18,518 - up 3.76%], only; the figures for 1970 [17,345] and 1973 [16,479] representing reductions of 2.81% and 7.66% respectively on the 1969 rate.[65] [The figure for 1971 was marginally the highest achieved during the currency of the post war slum clearance programme. The Cullingworth Subcommittee's target, of course, had been 30,000 per annum.] The English/Welsh rate after showing a slight increase of 1.19% in 1971 over the 1969 figure, declined slowly over the next two years.[66] In 1974 both the Scottish and English/Welsh rates dropped off sharply.

Although there was a decline in both the Scottish and English/Welsh public sector new build outputs in the early 1970s, particularly from 1972 onwards [the Scottish figure for 1972 being 42%, and the English/Welsh 33% below their respective 1969 levels], while the English/Welsh decline was a continuation of a trend which had started in 1968 the fall in Scottish output did not start until 1971 [down 15.8% on the 1969 level].[67] Indeed, apart from a small downturn in 1969 the Scottish figure had progressively increased over

each full year of Labour government since 1965, the momentum of the programme carrying through into 1970 when Labour were defeated and, to a somewhat lesser extent, into 1971. The figure for 1970 [34,360] was the highest since the post war peak of output [35,331] in 1954 and [allowing for a lag of 12 months between new build completion and demolition of the vacated dwellings] clearly contributed to the peak in the slum clearance rate in 1971, albeit that there was evidence of a rise that year [and in the years immediately following] in the proportion of new build housing devoted, directly or indirectly to slum clearance.

Turning to housing improvement, analysis shows that the number of grants awarded to the private sector increased in England and Wales, between 1969 and 1971, by 71%; and in Scotland over the same period by 85%.[68] However, as the prevailing Scottish pro rata level of improvement grant awards was, as the SHAC Sub-committee had pointed out, substantially below that of England and Wales, this higher percentage increase was not reflected in as high an increase in relative absolute terms. It was only following the introduction, in 1971, by the Conservative Government, as part of its economic policy, of a preferential level of grant - 75% as against the normal 50% for 'development areas' and 'intermediate areas' [which collectively covered the whole of Scotland] that the level of improvement activity in Scotland began to catch up with that in England and Wales.

There is only a short time span over which the outcome of Labour's 1969 policies relative to Scotland, and to England and Wales, can be compared. However, it is clear that, while by about 1973 there was a decline throughout Great Britain in public sector new build activity [and in slum clearance], and an increased dependancy on improvement of the existing stock, this pattern of events occurred later in Scotland; and, in the last years of the [1964 -70] Labour Government the SDD was able to expand the Scottish slum clearnace programme [a programme which in pro rata terms was already much higher than elsewhere in Great Britain].[69] This ability was based on the successful defence, and indeed enhancement of a high level of new build activity at a time when, in the face of severe economic problems, the English/Welsh programme was being cut. At the same time it also found resources sufficient to fund a modest expansion in the number of private sector improvement grants awarded.

One is drawn to the conclusion, although the evidence is admittedly limited, that Scotland, as had been claimed during the Second Reading debate on the Scottish Bill, was given favourable treatment, and that to this outcome the SHAC Sub-committee's Report appears to have made a significant contribution.

NOTES AND REFERENCES - CHAPTER VII

1. Ministry of Housing & Local Government, Our Older Homes: A Call for Action, op. cit. p.1.

2. Ibid.

3. Ibid. p.39.

4. In an academic debate which ensued on the relative advantages on economic grounds of redevelopment and improvement, a leading figure was Needleman who presented a paper on the topic to a MHLG conference at Cambridge in June 1969. He was subsequently to describe the White Paper, Cmnd. 3602, referred to later in this chapter, which announced a policy of increased emphasis on improvement as 'admirable'.

   See Needleman, L., The Comparative Economics of Improvement and New Building', Urban Studies Vol. 6, 1969.

5. Ministry of Housing & Local Government, Our Older Homes: A Call for Action. op. cit. par. 17.

6. Ibid. par. 7.

7. Ibid. par. 25.

8. Ibid. par. 60.

9. Ibid par. 78.

10. See Ch.I.

11. Scottish Development Department, Scotland's Older Houses, op. cit. p.7.

12. Ibid. par. 73.

13. Ibid. par. 8.

14. See introduction to thesis, p.2.

15. Scottish Development Department, Scotland's Older Houses, op. cit. par. 11.

16. Ibid. par. 57.

17. Ibid. par. 63.

18. Ibid. par. 68.

19. Ibid. par. 73.

20. Ibid. par. 269.

21. Ibid. par. 177.

22. Ibid. par. 181.

23. Ibid. par. 184.

24. The problem of condensation in dwellings was to be a topic considered by the Committee on Scottish Affairs - See Ch.IX.

25. Scottish Development Department, Scotland's Older Houses, op. cit. par. 104.

26. Ibid. par. 105.

27. Ibid. par. 124.

28. Ibid. par. 246.

29. 741 HC Deb. 5 S. Col. 102.

30. Crossman, R., The Diaries of a Cabinet Minister - Vol. II, Hamish Hamilton & Jonathan Cape Ltd., London 1975, p.488.

31. Ministry of Housing & Local Government, Old Houses into New Homes, Cmnd. 3602, H.M.S.O. 1968.

32. Scottish Development Department, The Older Houses in Scotland - A Plan for Action, Cmnd. 3598, H.M.S.O., Edinburgh, 1968.

33. Cmnd. 3602, op. cit. p.1.

34. Crossman, R., Vol.II, op. cit. ps.620/21.

35. 777 HC Deb. 5 S. Col. 974.

36. Cmnd. 3602 op. cit. par. 13.

37. 777 HC Deb. 5 S. Cols. 968/69.

38. Cmnd. 3602 op. cit. par. 6.

39. Ibid. par. 9.

40. The adjective used in the Report was 'comprehensive'.

41. Cmnd. 3602, op. cit. par. 42.

42. Ibid. par. 43.

43. Ibid. par. 45.

44. Cmnd. 3598, op. cit. par. 6.

45. Ibid. par. 13.

46. Ibid. par. 18.

47. Ibid. par. 19.

48. 777 HC Deb. 5 S. Col. 963.

49. Ibid. Col. 965.

50. Ibid. Col. 1027.

51. Ibid. Col. 969.

52. The others were Housing in Transition by Prof. Cullingworth; Private Landlords in England by John Grieve; The Deeplish Study sponsored by The Ministry of Housing; Two Million Homes at 17/- a week by Stephen Rosenberg for The Fair Rents Association.

53. HC Deb. Standing Committees 68/69 Vol.VI Scottish Grand Committee, Cols. 6 & 7.

54. Ibid. Col. 8.

55. Ibid. Col. 9.

56. Ibid.

57. Ibid. Cols. 11, 12.

58. Ibid. Col. 12.

59. Ibid. Col. 13.

60. Ibid. Col. 46.

61. Ibid. Col. 49.

62. Ibid. Col. 91.

63. Central Statistical Office, Annual Abstract of Statistics 1975 No.112, H.M.S.O., Table 71.

64. Ibid.

65. Ibid.

66. Ibid.

67. Ibid. Table 69.

68. Ibid. Table 68.

69. In proportion to relative population the Scottish figure was nearly three times as high as the English/Welsh.

CHAPTER VIII - INQUIRY BY THE EXPENDITURE COMMITTEE INTO HOUSING IMPROVEMENT POLICY 1973 - & THE 1974 HOUSING ACTS

Introduction

As explained at the outset the Expenditure Committee was the forerunner to the departmental select committees. The inquiry described here provides a useful comparison - first, because in contrast to the departmental committee inquiries it was conducted in a pre-legislative situation; and second, because it examined and compared policy in England and Wales, and in Scotland.

Background

The preferential rate of improvement grant for development areas and intermediate areas, referred to towards the end of the previous chapter, was introduced by the Housing Act 1971 and was available for work started and completed within a period of 2 years, subsequently extended to 3 years, from June 1971. As a result of this higher level of grant, coupled with the amendments made to the existing system by the 1969 Acts, and encouragement, at least initially, from central government, the number of grants approved in Great Britain in 1972 for the private sector was almost treble that for 1969. In Scotland the number approved was more than quadruple the 1969 figure.[1]

During the debate on the Second Reading of the Housing [Amendment] Bill in November 1972, which provided for extending the period for which the preferential rate of grant

was to be available to 3 years, Paul Channon - Minister for Housing and Construction, referred to the fact that, around the middle of that year, "a good deal of attention [had] been focussed on possible abuses of the improvement grant system"[2] concern having been expressed both by MPs and others outwith the House of Commons. The criticism had related to the exploitation of the grant system and harassment of tenants by speculator landlords, mainly in London, and to the giving of grants by local authorities in rural areas for second homes.

The Minister intimated that, as part of a policy review, the Government was "looking especially at ways in which the improvement grant system [could] be modified in order to concentrate help on areas and classes of people most in need".[3] They were also "looking very carefully into alleged abuses",[4] and during the previous summer a study had been launched of the social implications of improvement within the stress areas of inner London. The results of that study having been assessed the Government would take whatever steps were considered necessary.

"In the meantime, [the Minister looked] to local authorities to exercise their already considerable discretionary powers to deal with the problem of undue speculation and harassment of tenants. Local authorities [had] power to refuse improvement grants in such cases, and [he hoped] that they [would] exercise them. If they [did] not they [were] failing in their responsibilities".[5] As far as grants for

second homes were concerned, in the Minister's view there was little justification for making grants but it was up to local authorities; they had been given the discretion and currently he had no power to stop them.

Clearly prompted by the circumstances just described the inquiry into Housing Improvement policy by the Expenditure Committee commenced in January of the following year [1973]. It was conducted by the Committee's Environment and Home Office Sub-committee which was required to examine the following issues.

1. The operation of the 1969 Housing Acts [throughout Great Britain] and such matters as to whom improvement and standard grants had been paid on what basis and for what improvements.

2. The long term effects of grants on the nation's housing stock, its condition, its ownership and its price.

3. The objectives of the Housing Acts and whether they were being fulfilled; whether the resources allocated to the area were justified.

The inquiry was conducted concurrently with the Government's review of policy towards the older housing stock referred to above which culminated in the publication of White Papers on the topic by the DoE and the Welsh Office, and by the Scottish Office in June of that year. Because the Sub-committee's report makes extensive reference to the White Papers their contents are described first.

The English/Welsh White Paper

The English/Welsh White Paper[6] intimated, that while the evidence from the 1971 National House Conditions Survey and statistics on slum clearance and improvement indicated 'encouraging progress', there was in the Government's view 'no room for complacency', and that although it was intended to maintain the slum clearance programme broadly at its current level, significant changes in emphasis were intended.

"The key to success [lay] in the development of complementary strategies for unfit and older houses and in getting priorities right".[7] The Government considered that comprehensive redevelopment was no longer an appropriate approach in most cases of sub-standard housing resulting, as it did, in the disruption of communities and their environment, long periods of blight and loss of housing units, and lack of choice in housing type, tenure and cost. The intention was instead, to encourage 'gradual renewal' - the worst housing being cleared and the sites redeveloped quickly, some housing being improved pending future clearance, and the sounder being given substantial rehabilitation with a view to long term retention.

Priorities for the allocation of resources were identified as follows.

1. Areas where bad housing conditions were accompanied by high levels of demand for accommodation and where the resulting housing stress was characterised by multiple occupation, overcrowding, and in extreme cases homelessness. Such conditions were typically found in inner urban areas, parti-

cularly London, and sensitive application of improvement policies was required to avoid hardship and abuse of grants.

2. Areas where poor physical and environmental conditions were accompanied by falling population levels and where demand was low as in the central area of many old industrial cities, where owners might be unable to meet their share of the cost of improvement or be unwilling to invest because the area was in decline.

3. Areas appropriate for general improvement area [GIA] treatment. Such areas should be free from stress conditions and contain older housing suitable for thirty year minimum life improvement, accompanied where appropriate by environmental upgrading. The Government considered that the potential for providing better quality living for established communities and achieving the best value for money by this approach had, as yet, to be fully exploited.

4. Areas where there were low income owners in old properties requiring assistance with repair costs, and property where repair work was required in conjunction with grant assisted provision of standard amenities.

In order to tackle areas of sub-standard housing comprehensively, and to target resources effectively the Government intended to introduce a new concept, - 'the housing action area' [HAA]. Within HAAs a preferential level of improvement grant would operate, with local authorities having discretion to pay grants at an even higher level in cases of financial hardship. HAAs would be identified on the basis of criteria to be discussed with local authorities but would

include both social factors eg. the incidence of overcrowding, furnished tenancies, shared accommodation, elderly, and large families; and physical factors eg. the lack of a hot water supply, bath, or internal wc. For each of these a qualifying value would be specified expressed as a proportion of all the dwellings within the HAA. [While it was recognised in the White Paper 'that housing stress would manifest itself in different ways in different parts of England and Wales' and that the declaration procedures would need to be flexible, clearly the social criteria mentioned and the concept of 'housing stress' indicated were most likely to be met in areas of inner London.]

Beyond the provisions relating to preferential levels of grant local authorities would be given additional powers operable in HAAs which, subject to 'consultation with local authorities and other bodies, and to the consideration by the Government of the forthcoming report of the Environment and Home Office Sub-committee', would provide for:-

1. At the discretion of the local authority [and where owner occupiers were involved, subject to special conditions] compelling owners to carry out minimum standards of improvement and repair;

2. At the discretion of the local authority, attaching conditions to the payment of improvement grants;

3. Requiring landlords selling property to offer first refusal to a housing association or the local authority, and the local authority nominating tenants for property deliberately being held empty by landlords;

4. Awarding grants to assist with the cost of repairs.

Within GIAs, in order to encourage their development, improvement grants would also be available at a higher level than generally obtaining but at a lower level than those available in HAAs. Repair grants would also extend to such areas.

With regard to the general application of improvement grants several changes were planned. First, those owners qualifying for a 'standard grant', for the provision of the standard amenities, would in future also qualify for assistance with associated repair costs. Previously such assistance had only been given in the case of discretionary grants. The grant in its enhanced form would be known as the 'intermediate grant'.

Second, because there was evidence of the system having been abused by owners making excessive profits on the sale of improved properties, discretionary grants would in future not be available for properties with rateable values above a prescribed ceiling. Third, local authorities would be given a discretionary power [distinct from that applicable within HAAs] to attach conditions to the payment of grants to owners, other than owner occupiers. Such conditions would require that the house be kept for letting at a registered rent for a minimum prescribed period, and if the house was sold within that period a proportion of the grant would be repayable together with compound interest. Finally, the

payment of any form of grant towards the provision of a second home would be proscribed.

The Scottish White Paper

The Scottish White Paper[8] begins with the assessment that, while 'very substantial progress' had been made in dealing with sub-standard housing by a combination of slum clearance and improvement, some 180,000 to 190,000 houses [10% of the total Scottish stock] remained below the 'tolerable standard'. It had emerged from the Scottish policy review that 'it was much more effective to deal with bad housing, wherever possible, by areas rather than by individual houses or single blocks of houses, but, while the existing mechanisms were effective in securing the clearance of areas of substandard housing they were less effective in securing the improvement of areas of such housing to a reasonable standard.'

More generally, it had been concluded from the review, that the Scottish housing situation had changed from that prevailing in earlier years and that policy on improvement grants should change in light of this. "A consistent principle under the improvement scheme since its introduction in 1949, [had] been that all effective improvement of houses had been equally welcome as a contribution to upgrading the Scottish housing stock - the housing position [was now] very different - - as [had] been stated in the recent Report of the Scottish Housing Advisory Committee 'Planning for Housing Needs: Pointers towards a Comprehensive Ap-

proach'[9], the numerical shortage of houses [was] now no longer significant in many areas and the 'housing problem', whether of shortage or condition, [had] become much less a single national problem and much more a series of local problems in particular districts. These considerations clearly [pointed] to a need to adapt the improvement grant scheme so as to make it deal as effectively as possible with the surviving sub-standard houses".[10]

The changes which the Government intended [as with England and Wales it was emphasised, that they had not been worked out in detail - consultations would be carried out with local authorities and other concerned, and it was intended to take account of the report from the Sub-committee of the Expenditure Committee] were based on the premise that sub-standard housing conditions must be dealt with by improvement as well as clearance. " Subject to considerations of cost and other relevant factors, what [was] needed [was] a fully flexible approach providing remedies ranging from clearance at one end of the scale to full long term improvement at the other, with other possibilities between these two extremes. In this way the improvement grant scheme [could] help to achieve the best form of action with the minimum disruption of existing communities. For those reasons the Government's proposals [continued] to embody the concept introduced by the 1969 Act that clearance and improvement must both be considered in deciding upon [appropriate] action".[11]

Following from this last point, although the proposals were broadly on the same lines as those for England and Wales, while in England and Wales the GIA procedure was to be retained, in Scotland the housing treatment area procedure was to be replaced by an 'all purpose' HAA mechanism. There were also significant differences of detail in some of the intended arrangements. The principal provisions were as follows.

1. The introduction of HAA procedure whereby sub-standard housing could be tackled by clearance, improvement or a combination of both. The criteria for identifying such areas would, unlike England and Wales, relate solely to the standard of housing prevailing; there was no suggestion of social criteria being applied in addition. The physical standard to be applied had still to be decided but might 'be on the lines of the twelve point standard for [discretionary] improvement grant'.

2. Within HAAs improvement grants at a preferential level, and repair grants, would be available; and local authorities would have powers to compulsorily acquire sub-standard property if the owner failed to carry out the required improvements.

3. Local authorities would be given discretionary powers to attach to a privately owned rented house improved with a grant a condition relating to occupancy.

4. The standard grant would be replaced with an intermediate grant which would include an element for repair costs.

5. Improvement grants would be restricted to houses fall-

ing within specified rateable value limits and payment of improvement grants for second homes would be made illegal.

The Report of the Sub-committee

The Environment and Home Office Sub-committee, which had a membership of 8 met on twenty-three occasions between January and May 1973 and heard oral evidence from representatives of local authority associations, individual local authorities, professional bodies, and development companies; from civil servants from the DoE, the SDD, and the Welsh Office; and from the 3 ministers responsible for housing policy within those Departments. It also received a considerable amount of written evidence from local authorities, professional bodies, other agencies and pressure groups and the Departments.

The Sub-committee's Report[12] published at the end of June 1973 appeared shortly after the two White Papers, and as indicated earlier focused on their contents. The Sub-committee's view was that the evidence received indicated the need for a 'revolutionary approach' to areas of housing stress with some form of special treatment on the lines of the proposed HAAs the likely solution. "Only by a unified approach with stronger powers could such areas be tackled effectively"[13].

On the details of the provisions relating to HAAs however, the Sub-committee was critical of the absence of social factors from those to be considered in the identification of

such areas in Scotland. "Social factors such as overcrowding [were] vitally relevant to the housing conditions of the population [and] should be included in the criteria for the selection of HAAs in Scotland as well as in England and Wales".[14]

It is perhaps instructive to note at this point that when giving evidence to the Sub-committee, the Scottish Office Minister, George Younger [Under Secretary of State for Development], had mentioned that there would be a difference in the criteria, but the point was not pursued. What was questioned was why, if the HAA approach was to be applied generally to sub-standard housing in Scotland, eg. to terraced miners' cottages - and not only to tenemental housing which Younger had sited when pressed, as demonstrating the need for different Scottish policies, it could not have the same breadth of application in England and Wales. When Tony Rowlands, representing a Welsh constituency[15], observed that "provincial England and Wales [had] problems very close to [the Scottish ones], and different from those of London and [that he was] trying to connect the separate [Scottish] policy on HAAs with the difference in the nature of the problem", there was no convincing response from the Minister.[16]

Turning to another issue however, the Sub-committee 'strongly preferred' the Scottish proposal to the English/Welsh one. This was the intention to use the 'twelve point standard' as the physical criterion for identifying HAAs

rather than, as in England and Wales, the possession by dwellings of the standard amenities [the 'five point standard']; and it was recommended that the higher standard be adopted in England and Wales as well.

The Sub-committee identified a further inconsistency between the two White Papers in the provisions for securing the compulsory improvement of sub-standard property. The English/Welsh White Paper proposed giving local authorities power in HAAs to carry out such work in default. The Scottish White Paper proposed that, in the same event, a local authority should be empowered to acquire a house if necessary by compulsion. While recognising that in the case of the conversion of tenemental properties such powers were necessary, the Sub-committee could see no justification for their application in other circumstances. It accordingly recommended that the power to acquire an unimproved property compulsorily should relate only to tenements, and that for other properties, Scottish local authorities should be given powers similar to those proposed for England and Wales.

With regard to the compulsory improvement of owner occupied properties the Sub-committee was concerned that the powers which both White Papers proposed should be given to local authorities went unnecessarily far, and amounted to an abuse of personal liberty. It recommended that, in the case of such properties, compulsory powers should be restricted to requiring works external to a building, and not extend to

requiring provision of amenities internally. On the other hand, it considered that in the case of tenanted properties the minimum required standard should be the ' twelve point standard', rather than the lower 'five point standard' throughout Great Britain.

On other provisions relating to HAAs the Sub-committee made 3 further recommendations:- Any repayment of grant required because of breach of conditions should be of the full sum involved; Scottish local authorities should have the same power as those in England and Wales to require landlords selling houses to offer first refusal to a housing association or local authority; and landlords should have the right to serve a purchase notice on a local authority in lieu of accepting tenants compulsorily.

The Sub-committee was concerned to ensure that the effectiveness of the HAA arrangements be monitored. "Almost all the evidence submitted [suggested] that the introduction of the proposals for HAAs [would] result in a very limited role for the private landlord involved in voluntary improvement - the emphasis [was being] shifted dramatically from voluntary to compulsory improvement, from private to public action - and if the new local authority powers [were] not exercised or proved inoperative - the only result would be an even more rapid deterioration in the provision of rented accommodation".[17] In the Sub-committee's view the proposals were therefore 'something of a gamble' although a 'justified gamble' but it was crucial that similar difficulties did not

arise in the case of the new compulsory powers as had been experienced with those in the 1964 Act. It was therefore recommended that a detailed monitoring and survey of the application of the new powers be carried out twelve months after the implementation of the new legislation.

With regard to grants the Sub-committee considered that:-

1. in GIAs, because they were to be 'free from housing stress' and would therefore contain less urgent problems, properties should not - contrary to what the English/Welsh White Paper proposed - receive a rate of grant higher than the normal, [The normal rate it was suggested should be 50% of the approved cost] - and it recommended accordingly;

2. while the proposal for the payment of repair grants could be justified in the conditions prevailing in HAAs, it could not in those prevailing in GIAs, but made no recommendation on this latter point;

3. a repairs element should be included, as the White Papers proposed, in the new intermediate grant which was to replace the standard grant;

4. payment of improvement grant for second homes was not a proper use of public money - [One Scottish local authority, Argyll County Council, when giving evidence, had argued that payment of grant in such circumstances could be justified on the grounds of the stimulation given to the local economy.], and it strongly supported the proposal to prevent payment of grant for this purpose in the future;

5. payment of improvement grant to those who could easily

support the whole cost from their own resources was also wrong, and it welcomed the intention to exclude owner occupiers of properties with gross rateable values above a prescribed level [as a preferred alternative to a means test], although it considered the proposed ceiling too low and recommended that it be raised;

6. an age threshold should be introduced below which properties should not qualify for grant, and the date of first implementation of the building standards regulations was recommended;

7. the evidence received had demonstrated that the upsurge in grant assisted improvement work created by the increase in grant levels in development and intermediate areas since 1971 had placed a heavy demand on both the construction industry and local authority staff, leading in the case of the former to shortages of skilled operatives and an influx of 'cowboy' labour, and it recommended that local authorities should be given a discretionary power to extend the deadline [June 1974] for the completion of work in bona fide cases;

8. there were areas of low demand where compulsory powers were not necessary but where higher than average concentrations of unimproved housing in the hands of low income owner occupiers [conditions typical of some smaller provincial cities and the South Wales valleys] made preferential levels of improvement grant necessary and, striking a more radical note, recommended that such areas, which it suggested be called 'areas of greatest improvement potential', be designated at district or sub-regional level.

In relation to the last point the Sub-committee observed that Mr Gibson-Watt, the Welsh Office Minister, had, when giving evidence, defined the 'special' Welsh problem as comprising the conditions described.[18] Doubtless the suggestion for the proposed 'areas of greatest improvement potential' and, in particular, the reference to the Welsh conditions owed much to the influence of Rowlands. It may be that he was acting in concert with the Welsh Office, but on this one can only speculate. It seems likely, however, that there would be bi-partisan support within the Sub-committee for this obvious attempt to counter the London orientated priorities of the DoE.[19]

In a section entitled 'Our Conclusions on the White Papers' the Sub-committee suggested that, while the measures proposed would meet a number of the criticisms that had been expressed of the operation of the improvement grant system, such as grants for better off owner occupiers and for second homes, the real test would come in the affect of the new compulsory arrangements on the private rented sector. It considered that within HAAs and GIAs, provided local authorities utilised the new powers and found them practical to operate, they would be a substantial increase in improvements in the privately rented sector. Outwith HAAs the effect of the proposed changes was likely to be fairly neutral.

Having considered the impact of the current grant system on stress areas, however, the Sub-committee was less sanguine

about the effectiveness of the proposed arrangements in some inner city areas particularly inner London. "It was made very clear to us that many social problems had been caused by the process of emptying multiple occupied houses in order to sell them as single units for improvement or conversion into several dwelling units - - the main complaint by the London Boroughs seemed to be, firstly, that existing residents were being forced out of the areas by more affluent people coming in from outside, and, secondly, that there had been a net loss of dwellings where large numbers of families had previously lived in large properties which were now being converted for the use of one prosperous family - both trends were increasing homelessness and creating an additional burden on the provision of council housing".[20] In the Sub-committee's view, the scale proposed of a typical HAA - 400/500 houses - would do little or nothing to the 'chequerboard' problem of bad housing scattered throughout relatively large urban areas as in some areas of Inner London. Local authorities in such areas needed to secure improvements throughout their areas and, it was recommended that local authorities should be free to declare HAAs wherever there was severe housing stress.[21]

Moving beyond the contents of the two White Papers the Sub-committee examined the discretion which local authorities possessed under the existing improvement grant system. Two problems which local authorities had to face were identified:- first - the extent to which they should refuse an application on grounds other than failure to meet statutory

obligations; second - the kind of work which should be allowed for discretionary grant.

On the first issue the Sub-committee noted that "the advice from Government Departments to local authorities on how to deal with applications [had] until very recently, consistently urged generosity in the awarding of grants. The Act of 1969 implied such generosity by imposing on local authorities a duty to give reasons to an applicant where they refused an application for grant below the maximum. Then a DoE circular [in 1971] asked local authorities who did not pay grants or did so subject to certain restrictions, to review their current practice - - officers of two of the London Boroughs had, until mid 1972, understood the discretion of local authorities to be very limited and had advised their councils accordingly".[22] "By 1972, the emphasis of Departmental advice had changed, Ministers and officials began to stress the local authority's power to reject applications - - - . Public speeches by the Minister on the extent of discretion were very clear - - -".[23] And the Sub-committee quoted the speech by the Minister for Housing and Construction, Paul Channon, referred to earlier. "Yet [the Report continued] the whole emphasis of the DoE circulars until 1972 had been to try to expand the improvement grant programme by being as generous as possible over grant applications, and the circulars were not withdrawn."[24]

In the light of the evidence the Sub-committee concluded that there was 'a clear need for a complete review of the

formal advice which was given to local authorities' and it was considered that 'the Departments should issue an interim circular setting out the recent statements by Ministers which emphasised the authorities' right to reject applications'.

Turning to the second issue - what kinds of work to allow for grant - many local authority witnesses had complained to the Sub-committee of lack of clear guidance provided by the legislation and/or the Departments, particularly with regard to kitchens, additional bedrooms and central heating. There had, as a result, been different interpretations by various local authorities and complaints from applicants for grants of lack of consistency in treatment. Some local authority witnesses had requested a reintroduction of guidance notes which the DoE had operated prior to 1969. On the other hand, the reluctance by the Departments to be more directive had been explained by Government witnesses as being caused by a desire to preserve flexibility. The Sub-committee 'supported the Acts' refusal to over-define improvement' but considered that 'their failure to define it at all and lack of clear guidance to local authorities from the Departments had produced variations in interpretation and confusion in understanding'. It recommended that the Secretaries of State should be obliged to issue detailed guidelines which would have statutory authority.

A further topic considered was the adequacy of the housing statistics available. "Our difficulty [the Sub-committee

observed] in assessing the housing improvement programme has been the astonishing lack of detailed reliable information about the state of the housing stock".[25] In particular, what was unavailable, was an estimate of the number of houses which might possess the standard amenities but were nevertheless in an unsatisfactory condition. It was recommended:- that urgent action be taken to complete the collection of statistics on houses below the 'twelve point standard'; and, that the Departments should carry out a review of housing statistics in general, in order to provide a factual background for a proper evaluation of the housing programme.

In the final part of its Report the Sub-committee examined the criteria for choosing between improvement and redevelopment, and considered whether the financial structure possessed a bias in either direction. On the latter issue having received conflicting evidence - on the one hand, from a local authority [Lambeth], which claimed that improvement through a relatively greater burden on the ratepayer, and on the other, from the DoE, which argued that central government financial support was the same for both improvement and redevelopment - the Sub- committee offered no comment.

On the former issue it was established that the DoE provided advice to local authorities on a formula based technique for making assessments between the alternatives. The SDD did not suggest a comparable formula but research to produce one was continuing. Although the formula by the DoE had been

subject to some criticism the Sub-committee did not consider this justified, although it accepted that a higher discount rate should be adopted than was currently used. It was not satisfied, however, that decisions should be made on economic criteria alone; social factors should be taken into account as well. And, it recommended that the Departments should give close attention to monitoring the social effects of alterations to housing policies and should attempt to develop criteria for judging the relative merits of renewal and improvement [or the appropriate mix in a programme] taking into account both social and economic factors.[26]

The Response

The Government's response was not published until January 1974, some 6 months after the Sub-committee's Report. It took the form of a White Paper[27] and appeared the same day as the Housing and Planning Bill, giving effect to the Government's proposals throughout Great Britain, was introduced. The White Paper 'emphasised' at the outset:- that the main objective of the proposed legislation was to redirect resources more positively to those living in the worst housing conditions, and to provide more effective powers and incentives in areas of housing stress, greater selectivity being the keynote; that the criteria for establishing HAAs in England and Wales were now in a more flexible form than originally envisaged [ensuring that housing deprivation was tackled on the broadest possible front]; and, that the conditions proposed to be attached to improvement grants

throughout Great Britain had been strengthened to rule out possible abuses, and other restrictions adopted to prevent improvement grants being made where there was no priority required for rehabilitation or the owners could afford to carry out the work without assistance from grant. Further, the respective Secretaries of State had already issued circulars emphasising local authority discretion in awarding grants as the Sub-committee had suggested.

Of a total of twenty-two recommendations made by the Sub-committee ten were rejected:-

1. that social factors be included in the criteria for selecting HAAs in Scotland, as in England and Wales - because the stress conditions involving a concentration of high demand and sub-standard housing had not emerged, and the priority was on upgrading sub-standard houses [Social considerations would, however, be referred to in the guidance issued to local authorities to assist in selecting such areas.];

2. that the 'twelve point standard' be included in the criteria for the selection of HAAs in England and Wales, as well as in Scotland - because it had been concluded that the standard was not after all the best for application in Scotland, being insufficiently objective and pitched too high for the purpose, and the intention now was to use the possession by dwellings of the standard amenities as the criterion instead;

3. that the powers of Scottish local authorities to ac-

quire unimproved dwellings should be restricted to tenement property and, that they be given instead powers to carry out improvements compulsorily similar to those of England and Wales - because deleting the acquisition power would involve removing a power the local authorities already possessed, and the alternative procedure which would be slower, was undesirable given the urgent need to deal with sub-standard houses in Scotland as quickly as possible;

4. that the standard for improvement of owner occupied dwellings should only relate to external works - because circumstances could arise, especially in tenement buildings or terraced flats where this restraint could inhibit the internal improvement of adjoining property and the compulsory power would only be exercised where essential;

5. that the minimum standard for compulsorily improved tenanted properties should, where practical, be the 'twelve point standard', rather than the 'five point standard' - because the Government considered it right to concentrate resources upon people living in the worst conditions, the application of the higher standard would involve more subjective assessments by local authorities, and the number of appeals and objections in Scottish HAAs could be expected to increase significantly delaying progress in dealing with bad housing,

6. that the Secretary of State for Scotland considered empowering local authorities to require landlords selling properties in HAAs to offer first refusal to a housing association or local authority, as proposed for England and Wales - because the urgent need in Scotland was to have sub-

standard houses improved by existing owners, whether owner occupiers or landlords, and conditions had not emerged which made it desirable to have such a statutory requirement;

7. that properties in GIAs should not receive a preferential rate of grant - because, although there was an absence of housing stress in such areas, it was important to prevent the 'agreeable old dwellings' characteristic of them from deteriorating to a level where there was no alternative but demolition, and the local authority associations had argued that a preferential level of grant was necessary to achieve this;

8. that local authorities should have discretion to extend the deadline by which work must be completed to qualify for the current preferential grant in development areas and intermediate areas - because of the administrative problems it was likely to create, and because the Government considered the additional expenditure which would arise was better directed to the priorities which had been defined in the White Papers;

9. that 'areas of greatest improvement potential' should be defined on a district or sub-regional basis and given a preferential rate of grant - because the Government considered that such an approach would be insufficiently discriminating and that HAAs and GIAs would be more effective ways of concentrating resources;

10. that it should be open to local authorities to declare HAAs where there was severe housing need - because decisions on what constituted 'severe housing need' would be extremely difficult to make in the absence of specific criteria, and

given the inevitable limitations to what could be achieved quickly it was essential to concentrate resources.

Of the recommendations not rejected outright some were accepted unreservedly, others with qualifications, and others were promised further consideration. The first category included the recommendations relating to the repayment of grant in the event of non-compliance with conditions, the age threshold below which properties would be ineligible for grant, and the consideration of social as well as economic factors in the appraisal of housing investment proposals. The second included the recommendation relating to the provision of detailed guidelines to local authorities for assessing improvement grants - rather than the Secretary of State being 'obliged' to issue detailed guidelines which would have statutory authority, provision would be made enabling the Secretary of State to give directions requiring that any application for grant relating to a specified description of improvement should not be approved without his consent. [The Secretary of State for Scotland already possessed such a power which perhaps explains, given the potential for criticism for not having intervened on the question of second grants for homes, the Scottish White Paper, unlike the English/Welsh, had found it necessary to refer to the "consistent principal since 1949, now under review in the light of changing circumstances, that all effective improvement had been equally welcome".][28] The third category included the rateable value ceiling for improvement grant eligibility, which clearly had resource

implications.

On the face of it, the resultant change to the legislative proposals outlined in the original White Papers as the result of the Sub-committee's recommendations was marginal, being limited to the threshold age applying to property for grant eligibility, and the provision that the entire grant be repayable in the event of non-compliance with the conditions. However, it can be argued that some of the recommendations, although rejected, had an impact in a more oblique way and, of these, some can be seen as being so designed. While the recommendation that the higher 'twelve point standard' be adopted as a criterion for the identification of HAAs in England and Wales as well as in Scotland, by highlighting the differences in the Scottish proposals, may well have contributed to the Scottish standard being lowered it would be unfair to suggest that this was intended. But the recommendation for the establishment of 'areas of greatest improvement potential' with a preferential level of grant, together with the recommendation that social factors be included in the criteria for identifying HAAs in Scotland [particularly when the latter is seen in the context of the remarks made during Younger's evidence session], clearly were intended to signal to the DoE the dissatisfaction felt by some of the Sub-committee members that application of the proposed criteria would result in so much priority being given to the London area at the expense of other parts of England and Wales, and to create pressure for amendments in this connection.

The first indication of the effect of this approach had been evident at the beginning of the Government's response when, as mentioned previously, it was 'emphasised' that the criteria for identifying HAAs were to be defined 'in a more flexible form'. The significance of this became clearer during the debate, in February 1974, on the Second Reading of the Housing and Planning Bill when Paul Channon intimated that:- "the principal factors to be taken into account, in addition to the lack of basic amenities, would include the amount of tenanted accommodation; overcrowding and multiple occupation; large families; the number of elderly people, including elderly owner occupiers; and the need to preserve existing communities. ***This last factor was particularly relevant to certain areas in Wales***".[29]

The Legislation

The Housing and Planning Bill failed to complete the legislative process as the result of the Conservatives losing the general election in February 1974, and in the following May the new Labour Government introduced further legislation - The Housing Bill, and the Housing [Scotland] Bill which adopted the Conservatives' proposals with minor amendments. The Housing Bill in addition to containing the provisions relating to improvement policy - HAAs, GIAs, grants, and compulsory improvement - applicable to England and Wales, also, as the Conservative Bill had been intended to do, introduced measures to enhance the role of the Housing Corporation, and to establish a new subsidy for housing associations registering with it - Housing Association

Grant.

Anthony Crosland introducing the Bill, acknowledged that, when in opposition Labour had supported the Expenditure Committee's criticism that HAAs as proposed would be inadequate to tackle the 'chequerboard' problem of bad housing in large urban areas. He claimed, however, that the consequential delay involved in providing a more radical approach would, given the prevailing circumstances have been unacceptable.

The Scottish Bill absorbed the provisions relating to improvement - HAAs, grants, etc., specific to Scotland which had originally been contained in a separate part of the Conservative Bill.

Sequel

The annual rate of improvement grant awards to the private sector, having reached a peak in England and Wales in 1973, and in Scotland in 1974[30], progressively declined over most of the remainder of the decade [31]. Comparison of the annual rate of award for the period 1975 - 1978 with the rate for 1974 shows a fall in Great Britain as a whole of 54%, and in Scotland of nearly 70%. As was to be expected the greatest reductions occurred in the areas where the preferential level of grant was available prior to 1974, regions such as the North West of England, and Yorkshire and Humberside coming close to equalling the changes in Scotland. But there were also reductions outwith such regions.

In Greater London for example, the fall in the equivalent figure was 44%, and other factors can be identified as contributing to the decline - the prevailing economic situation and, more immediately obvious, the tighter restrictions on grants. Further analysis of statistics on the lines just described shows in the South East outwith Greater London, a fall over the period in question [1974/78] of 34%, appearing to suggest that the more affluent areas were least affected and attempts to give greater priority to high stress areas were achieving little immediate success, and this interpretation was supported by a report in 1979[32] that proportionately more finance was being invested in smaller provincial towns than in urban areas with the most acute needs.

By the end of 1979 when 471 HAAs had been declared in England and Wales, only 33% of the households in them [20% in London] had taken up improvement grants, suggesting that even with grants at 75% - 90% the ceiling on maximum eligible expenditure was too low to make improvement viable for the predominantly low income residents. A year later, when the DoE had anticipated that HAAs would contain over one million dwellings, they contained only about 150,000. In those HAAs which had been declared compulsory improvement powers available to local authorities had been little utilised because they were too cumbersome, and building societies had been unenthusiastic about lending.[33]

In 1980, the rate of private sector improvement activity

having shown only a slight upturn, the new Conservative Government introduced certain changes relevant to grants to England and Wales by way of its Housing Act of that year. Tenants in addition to owners would in future be eligible for grants; the '5 year rule' on the sale of grant improved owner-occupied dwellings, which was considered a deterrent to building society lending, was abolished; the requirements applying to intermediate grants for short life improvement were relaxed; and repair grants would be available for pre-1919 dwellings outwith HAAs[34]. Later in the same year eligible expenditure ceilings for grant aided works were raised.

Any positive impact the foregoing changes might have had was blunted in the short run by cut backs in public expenditure consents to local authorities but, in 1982, possibly influenced by the relatively low level of new house building activity and the prospect of a general election the following year, capital allocations for private sector improvement were increased and intermediate grants and repair grants raised to 90% of eligible expenditure for what transpired to be a period of 2 years. The number of grants awarded in Great Britain in 1984 soared to a record level of 320,000, quadruple the 1979 figure, but 3 years later it had halved to 160,000[35].

The dramatic increase in public expenditure on improvement grants in the 1983 - 85 period appears to have prompted the Treasury to question the efficacy of the system[36]. Influ-

enced by this development, and with support from the deliberations and subsequent report of an inquiry into British housing sponsored by the National Federation of Housing Associations[37], which concluded - "that while the main responsibility for maintenance and improvement of private sector houses should be with individual owners this did not absolve the state from responsibility for encouraging voluntary action, dealing with the worst stock, and helping the worst off; that the improvement grant system [had] not been fully effective in reaching the poorest and most vulnerable occupiers nor [in reaching] the worst properties; that public money for improving and repairing the private sector stock should be focussed to a greater extent on those who [could not] otherwise afford to take action"[38] - the DoE and Welsh Office intimated new proposals 'for encouraging the repair and improvement of private sector housing' in a Green Paper published in May 1985[39].

The several forms of grant currently available for improvement and repair would be merged into one grant related to the cost of any work required to bring a dwelling up to a 'new standard of fitness for human habitation', and available on a mandatory basis to owner-occupiers judged to qualify on a means test of household resources. Those qualifying for grant assistance would also be eligible for an interest free equity sharing loan, payable by and at the discretion of the local authority, to meet the additional cost involved in raising the property to a higher 'thirty year life' standard.

Relative to the fitness standard to be applied, and evoking the different approaches adopted by the English/Welsh and Scottish Housing Acts 16 years before, the Green Paper contains the following paragraph. "In Scotland the fitness standard was replaced in 1974 by the tolerable standard. [In fact it was 1969.] Under this standard local authorities are still required to consider houses against a list of criteria but the property is automatically below the standard if it fails to meet the requirements in one or more respects - there is no need for authorities to try to reach an overall judgment about its condition. The system to be adopted in England and Wales will follow this approach"[40].

Six months after the publication of the Green Paper a 'Guardian' article[41] speculated that the Government might quietly drop the proposals as "every published response [had] contained strong criticism of the proposed changes with private interests joining common cause with charitable housing groups". The Association of Metropolitan Authorities had described the Green Paper as "an exercise in reducing public expenditure", and had been particularly critical of the proposed equity sharing loan arrangements.

In September 1987 the Government published a White Paper 'Housing: The Government's Proposals'[42]. With regard to improvement policy it was announced that changes in the grant system would be introduced, but in an amended form to those in the Green Paper. Instead of the proposed loans for eligible owner-occupiers for improvement beyond the

fitness standard, grant assistance would be available at the discretion of the local authority. But, to avoid the possibility of windfall profits a discretionary grant would be repayable on a sliding scale where a property was sold within 3 years, and if the selling price exceeded a set figure. Provisions on these lines were subsequently enacted in the Local Government and Housing Act 1989. Labour has criticised the amended fitness standard as being "too narrow" and as requiring to be "strengthened" as resources permit; and the means test for improvement grants as "far too restrictive and requiring review", but do not appear to be opposed to the changes in principle[43].

Initially the movement towards a means tested system, and to a common grant for improvement and repair, took the same pattern in Scotland although the Scottish Green Paper [44] did not appear until December 1985, some seven months after its English counterpart. A difference in the Scottish proposals which would doubtless require Treasurer approval, and may thus help to explain the delay, was a concession to the occupiers of tenements. Because in such buildings "the ability of one owner or occupier to act to secure the improvement of his property [was] physically constrained by the action of his neighbours, the application of an individual test of resources to determine eligibility for assistance would seriously impede progress with rehabilitation - - - and the Government [proposed] that the provision of assistance to bring [tenemental dwellings] to the tolerable standard [which it was proposed to raise] should be exempt

from the test of resources.[45]

However, by the time the Scottish parallel to the English/Welsh White Paper mentioned earlier ['Housing: The Government's Proposals for Scotland'] [46] was published in November 1987 the proposals with regard to grant assistance for tenemental improvement had been modified somewhat. It was now intended that there "be special arrangements concerning the availability of grants for improvement of tenements: [whereby] in certain cases where some individual owners [were] eligible for grants, assistance [would] be given to other owners who would otherwise have to bear the full cost of their share of the works."[47]

In May 1988 the SDD issued a consultative paper 'Private Housing Renewal: The Government's Proposals for Scotland'. On the issue of grants for tenemental improvement the proposals now involved making a minimum level of grant available without means testing, and a higher level subject to means testing.

So far the Scottish Office has made no move to introduce legislation to affect changes in grant arrangements and to bring Scotland into line with England and Wales, and there are no plans to do so in the proposals in the Queen's Speech for the 1992/93 session of Parliament. The reasons for the inaction are not clear but it seems two factors may be contributory. First - criticism by local authorities, in particular perhaps by Glasgow District Council whose com-

ments were "based on considerable experience of private housing renewal widely recognised as one of the most effective and significant in Britain and Europe", and who were concerned at the disincentive effect means testing would have on major tenemental repair and the high administrative costs involved, and who could point to evidence from academic research within the city that assistance with housing improvement costs could be effectively targeted without resort to means testing.[48] Second - the conclusion reached by the Comptroller and Auditor General after an investigation by the National Audit Office "that the accuracy of the reported figures for housing below the tolerable standard in Scotland could be called into question"[49], which in turn prompted and inquiry into the matter by the Public Accounts Committee.[50] This development will be dealt with in more detail in Chapter 1X but the point here is that the Department is unlikely to want to give the topic of substandard housing prominence until ministers can speak with conviction as to the prevailing situation.

NOTES AND REFERENCES - CHAPTER VIII

1. Central Statistical Office, Annual Abstract of Statistics 1975, No. 124, op. Cit. p.82.

2. 847 HC Deb. 5 S. Col. 156.

3. Ibid. Col. 158.

4. Ibid.

5. Ibid.

6. Department of the Environment, Better Homes - the Next Priorities, Cmnd. 5339, 1973.

7. Ibid. par.14.

8. Scottish Development Department,Towards Better Homes: Proposals for Dealing with Scotland's Older Housing, Cmnd. 5338, H.M.S.O., Edinburgh, 1973.

9. Scottish Development Department, Planning for Housing Needs; Pointers towards a Comprehensive Approach, [1972], op. cit., produced by a SHAC Working Party, chaired by Cullingworth.

10. Cmnd. 5338, op. cit., par. 11.

11. Ibid. par. 13.

12. HC 349 I 1972/73, Tenth Report from the Expenditure Committee, House Improvement Grants.

13. Ibid. par. 22.

14. Ibid. par. 24.

15. Merthyr Tydfil and Rhymney.

16. HC 349 II 1972/73, Q.1993.

17. HC 349 I 1972/73 op. cit., par. 55.

18. Ibid. par. 66.

19. Dame Irene Ward, for example, Conservative , Tynemouth, another Sub-committee member, was also likely to support such a move.

20. HC 349 I 1972/73, op. cit., par. 83.

21. The establishment of 'areas of special control' where acute housing stress existed had been recommended by the Milner Holland Committee but the proposal was not accepted by the Labour Government. See Ch.IV.

22. HC 349 I 1972/73. op. cit., par. 87.

23. Ibid. par. 88.

24. Ibid. par. 89.

25. Ibid. par. 103.

26. The Department of the Environment published Improvement Research Note 4 - 78. The Economic Assessment of Housing Renewal Schemes in 1978.

27. Department of the Environment, Scottish Development Department and Welsh Office. Housing Improvement Grants: Government's Observations on the Tenth Report from the Expenditure Committee. Cmnd. 5529, H.M.S.O., 1974.

28. Cmnd. 5338 op. cit. par.11.

29. 868 HC Deb. 5 S. Col. 1065.

30. The different 'peak years' may be attributable to the Department of the Environment's change of attitude to grants in 1972, and the greater momentum in Scotland to increased take up due to the preferential level of payment for a limited period in 'development areas' and 'intermediate areas'.

31. Government Statistical Service, Housing and Construction Statistics, H.M.S.O., various volumes.

32. The National Home Improvement Council, The Take up of Private Sector Improvement Grants, National Home Improvement Council, London, 1979.

33. Balchin, P.N., Housing Policy: An Introduction 2nd Ed., Routledge, London, 1989.

34. Similar provisions were extended to Scotland by a combination of the Housing [Financial Provisions][Scotland] Act 1978; the Tenants' Rights, Etc.,[Scotland] Act 1980, and, the Local Government [Miscellaneous Provisions][Scotland] Act 1981.

35. Housing and Construction Statistics, quoted in Balchin. op.cit.

36. Ibid. p.102

37. National Federation of Housing Associations, Inquiry into British Housing. National Federation of Housing Associations, London, 1985.

38. Ibid. p.34.

39. Department of the Environment and Welsh Office, Home Improvement - A New Approach, Cmnd. 9513, H.M.S.O., 1985.

40. Ibid. par. 63.

41. Guardian, 15/10/85.

42. Department of the Environment & Welsh Office, Housing: the Government's Proposals, CM. 214, H.M.S.O., 1989.

43. The Labour Party, A Welcome Home, op. cit. p.21.

44. Scottish Development Department, Home Improvement in Scotland - A New Approach, Cmnd. 9677, H.M.S.O., Edinburgh, 1985.

45. Ibid. par. 29 & 30.

46. Scottish Development Department, Housing: the Government's Proposals for Scotland, Cm. 242, H.M.S.O., Edinburgh, 1987.

47. Ibid. par. 3.16.

48. Glasgow District Council's Response to the Consultative Paper, City Housing Department, September, 1988.

49. HC 485 1990/91, Report by the Comptroller and Auditor General, National Audit Office, H.M.S.O., 1991.

50. HC 84 1991/92, Committee of Public Accounts, 5th Report, The Condition of Scottish Housing.

SECTION IV

INQUIRIES ON OTHER HOUSING ISSUES

CHAPTER 1X - THE SALE OF COUNCIL HOUSES, AND HOUSING POLICY IN SCOTLAND - FURTHER INQUIRIES BY THE DEPARTMENTAL SELECT COMMITTEES

In this chapter three inquiries conducted by the Departmental Select Committees - one by the Environment Committee into Council House Sales,[1] and two by the Committee on Scottish Affairs, the first into Housing Capital Allocations,[2] and the second into Dampness in Housing[3] are examined.

COUNCIL HOUSE SALES

Background

The sale of local authority houses to sitting tenants had been permissible since 1957 but it did not become a significant issue until the 1970s. During that decade sales tended to increase during periods of Conservative government and/or when Conservative control of local government increased. At the October 1974 general election the Conservatives committed themselves to legislation providing council tenants with a right to buy and increasing the current discount on the sale price of 20% to one-third, and their 1979 manifesto promised legislation in the first session of the new parliament to give the right to buy at discounts up to one-half.[4]

In 1977 the Labour Government, which in England and Wales operated a 'general consent'[5] to sales recognised in its Housing Policy Review Green Paper[6] that a right to buy had been proposed but concluded that it should not depart from

its current policy of 'not favouring sales' where there was unmet demand for rented accommodation - "the Government rejects a statutory right for tenants to buy. Indeed it would be anomalous for the Government to direct their policies and priorities, as they have done, to the assistance of areas of housing stress and at the same time to accept a substantial depletion of the kind of stock which they are encouraging authorities to provide".[7]

The two Housing Bills introduced by the Conservatives after coming to power in 1979 - the Housing Bill 1980 [applicable to England and Wales], and the Tenants' Rights, etc. [Scotland] Bill 1980, provided inter alia for a right to buy for the majority of public sector tenants of a minimum of three years standing with discounts ranging from one-third up to a maximum of one-half of market value after twenty years tenancy.

As indicated earlier the inquiry by the Environment Committee into Council House Sales, more specifically 'the financial and social implications of Council House Sales', constituted the first part of a two stage inquiry into rented housing, the second stage involving the inquiry into the private rented sector discussed in Chapter VI. And, while the latter inquiry appears to have been advocated by the leading Conservative member Nicholas Scott, the Council House Sales inquiry was conducted at the instigation of the Labour chairman Bruce Douglas-Mann.[8]

The Inquiry and The Report

Evidence was taken from local authorities, construction companies, credit institutions, pressure groups, academics and professional bodies; the examination of witnesses extending over fifteen sessions between April and July 1980. Research by three part-time specialist advisors appointed for the inquiry, and who produced eight memoranda, took a further three months to complete.

The Report was not published until July 1981, and only after three drafts had been produced. The final version, the preparation of which appears to have involved close co-operation between Bruce Douglas-Mann and Nicholas Scott,[9] was agreed by a majority of five to four with two Conservative members including Mawhinney and two Labour members including Winnick voting against. Reginald Freeson voted in favour together with four Conservatives.

The Committee had divided its investigation according to the effect upon five main areas: local authority housing; private housing market and provision; public sector finance; equity between individuals; and, the wider economic implications.

Impact Upon Local Authority Housing - The Committee reckoned that the level of sales in the first five years of the existence of the Act was likely to be in the region of 100,000per annum.[10] Over a ten year period such a rate of sales would reduce the stock of houses [as distinct from

flats] by nearly one-third. While the evidence was not conclusive it seemed likely that sales would be disproportionately of houses rather than flats, and that houses sold would tend to be the better houses in the more popular areas.

The Committee took issue with the DoE concerning the impact of sales on the availability of re-lets. The Department had originally suggested the impact would be 'minimal'. However, under pressure from the Committee, the Department produced figures suggesting a loss of 2.6% per annum of houses sold. On the assumption of sales at a rate of 100,000 per annum there would be a loss of 26,000 re-lets in the first ten years and of 78,000 in thirty years. The resulting effect on the number of new lettings and transfers would be substantial. The fact that the Government's assessment in this regard had, 'to a degree', been based on 'a false premise', gave added grounds for re-examining the proposed reductions in public expenditure on housing proposed in the Public Expenditure White Papers of 1980 and 1981. While recognising that sheltered housing was excluded from the 'right to buy', the Committee remained concerned about the adverse effect on sales upon the housing opportunities of the elderly. Concern was also expressed about the impact on rural areas, notwithstanding the existence of designated area exceptions.

Impact on Private Housing - The Committee considered that the impact on the availability of mortgage finance for

private housing was unlikely to be significant because it was anticipated that the proportion of local authority house sales financed privately would be small. In the longer term, however, as resales occurred this could become more of a problem.[11]

Effect on Public Finance - In the Committee's view the assumptions on which the Department had based its appraisal of the financial effects of sales were 'unrealistic' and the appraisal might give an 'unduly favourable' impression. "The Committee accepted many of the Comptroller and Auditor General's criticisms of the Department's assumptions; for instance, in his view the lowest assumption on the rate of increase in rent was clearly less probable than the highest assumption, that the highest of the Department's assumptions on savings in upkeep and management expenditure should not have been included, that the public sector cost of private improvements should be included. - - One of the alternatives which should have been considered was an increase of rents in relation to earnings - -". The Committee regretted that the Department's appraisal "should have been shown in these and several other ways to contain so many defects". One of the special advisors had applied the same analytical technique used by the Department with some alterations to the assumptions and had "concluded that while the financial effects remained favourable in the short term, the twenty year appraisal contained both losses and gains and over a fifty year period every variant under the assumptions used, showed a loss".[12]

Since the Committee's findings 'differed so radically from those of the Department a thorough and comprehensive reply from the Department was of paramount importance.'

Equity between Individuals - The Committee recognised that there were substantial advantages to tenant purchasers, both financial and non financial. These included meeting tenure preference, mobility and security and the opportunity to acquire an asset likely to appreciate in value at a discount.

During the debate on the Second Reading of the Housing Bill the Secretary of State had justified the discount on two grounds. First - that sitting tenants in the private sector often purchased their houses at prices significantly below vacant possession value. Second - that many tenants had paid more in rent than early post war owner occupiers had paid in mortgages. Yet the latter now had an asset worth £20,000 - £30,000. The Committee considered that "the new discounts can be justified on the grounds that they increase council house sales and that they will result in greater accretion of wealth to tenant purchasers. The Committee welcomes the discount on both counts".[13] During the discussion of the draft David Winnick proposed an amendment to have the word 'justified' changed to 'argued' but the motion was defeated by voting on straight party lines.

Effect on the Economy - The Committee considered three theses which emerged from the evidence it had heard. First

- that increased owner occupation would increase labour mobility. Second - that council house sales would worsen the housing prospects of lower paid workers in areas where housing shortages existed. Third - that in areas where there was a low proportion of houses available for owner occupation professional and skilled workers would tend to move out and industry consequently to do the same.

The Committee considered that while there was a possibility that council house sales might benefit the economy, in most areas the benefit was likely to be slight and in some areas the effect would be damaging. "The benefit could to a large extend be achieved by other means at much less cost to public funds."[14]

Reaction to the Report and the Government's Response

The inquiry started too late to influence the Second Reading of the Housing Bill in the Commons in January 1980 but both Douglas-Mann and Winnick referred to the Committee and the evidence it had collected.[15] The evidence from witnesses was published between April and July 1980 and was available to the Lords at their debates on the Bill. The evidence on the impact of sales in rural areas may have contributed to the acceptance of an amendment restricting sales in areas where there was a high demand for holiday and retirement homes.[16]

When the Report was published a press conference was held at which Bruce Douglas-Mann maintained that although the

majority for accepting the Report was small, the voting went against party lines and showed that Select Committees could present a balanced critique on controversial issues. 'The Guardian' while highlighting the criticisms which had been made of the DoE's reasoning, statistics and assumptions, also emphasised the conflict which had occurred within the Committee over the issue and the fact that the Report had been drafted three times before it was adopted. "The accusations came in a report which emerged only after prolonged wrangling between positions so polarised as to call the Select Committee system into question".[17]

The DoE's response to the Committee's criticism came in October 1981.[18] In its general observations the Department suggested "that a more balanced picture would have been produced had the opinions of actual and prospective purchasers been collected, and if the opinions received had been weighed more critically". On the issue of the loss of re-lets the suggestion that the House was given information which was less than accurate was totally rejected. With regard to the type of property likely to be sold the Committee did "not appear to give full weight to the wider and contrary evidence of the housing market - there is a widespread demand for low priced property".[19] As to the financial effects of sales the Department counter-challenged the approach adopted by the Committee's special advisor. In its observations on the impact of sales on housing for the elderly and on housing in rural areas the Committee had in the Department's opinion not given "adequate recognition to

the strong desire of many tenants in these categories to buy their homes".[20]

The Report appeared to have little impact on the Government which went ahead with proposals to extend the 'right to buy' to charitable organisations - although here it met opposition in the Lords, and to increase the discount available to tenants of thirty years standing to 60%. At the same time there was no increase in new public sector housing provision.

Attitude of the Labour Party

At the June 1983 general election Labour's manifesto announced that a Labour government would "End enforced council house sales, empower public landlords to purchase houses sold under the Tories on first resale and provide that future agreed sales [would] be at market value".[21] Following the loss of that general election there were indications, that Labour's policy on the issue was about to change. At the Party's annual conference later that same year a motion seeking to commit the Party to outright opposition to sales was defeated and there was evidence of a strong body of opinion that opposition to sales had cost the Party a lot of votes on local authority estates. Subsequently the matter was referred to a sub-committee of the NEC for re-examination.[22] The current policy is to retain the right to buy and to "increase the number of homes for rent by establishing a Housing Bank to facilitate the balanced use of councils' capital receipts and offer investment

capital at attractive rates of interest".[23]

HOUSING CAPITAL ALLOCATION

Background

Capital expenditure by local authorities requires the approval of the relevant Secretary of State. However, whereas in the past consent had to be obtained on an individual basis for each proposed project the system operated in recent years has involved the granting of annual block consents to each local authority based on submitted programmes. These programmes cover proposed expenditure on both the local authority's own housing stock and on grants and loans to the private sector. In Scotland, unlike in England and Wales, the capital allocation to public and private sector expenditure is split into two blocks - 'housing revenue account' and 'non housing revenue account' with virement restricted.

Capital expenditure consent allocations are in turn related to a system of housing plans [in England and Wales housing investment programmes] introduced in 1977. Local authorities were initially required to submit these to the SDD on an annual basis but this was subsequently revised to a four yearly basis [with the exception of Glasgow which submits on a two yearly basis]. The objective of housing plans as described in the relevant SDD circular[24] is;

1. to provide local authorities with an opportunity to assess fully the housing requirements of their area and

formulate appropriate policies to meet these requirements;

2. to establish spending programmes which were consistent with policies and available resources;

3. to inform the Government of locally assessed housing needs which should be taken into account when making capital allocations.

The Inquiry and The Report

The inquiry was chaired by Robert Hughes. A former SDD civil servant acted as special advisor to the Committee. The Committee heard evidence from Malcolm Rifkind, then Minister for Home Affairs and the Environment at the Scottish Office, and from two civil servants from the SDD.

The inquiry commenced in January 1981 and the Report was published two months later. The Committee make it clear that it was "limiting [itself] not only by subject - housing capital allocation, not housing supply - but also in approach, which [was] to describe the system and underline what [was] significant, rather than to dissect it and make far reaching recommendations for change".[25]

The Committee had received memoranda from Shelter, the Scottish Federation of Housing Associations, and COSLA. It seems likely that the last named body was influential in the issue being selected for investigation. On the face of it it seems surprising that representatives from COSLA were not called to give oral evidence. Perhaps, and of course one can only speculate, it was to avoid the possibility of

matters becoming too controversial. The contents of the memoranda to a large extent provided the issues raised by the members. Most of the other points arising obviously had a constituency background.

The issues covered included:- the extent to which the need demonstrated in housing plans determined capital allocation; the change from annual submission of housing plans to a four year cycle - about which COSLA was unhappy; why the gap between bids and allocations tended to have closed - Conservative members suggesting that there was now a quantitative surplus but that more attention should be given to special needs; the Government's recently announced intention to link capital expenditure allocations to rate fund contributions to the housing revenue account to encourage local authorities to restrict these; and, to what extent the Scottish Office would accommodate local authorities where slippage occurred in a capital budget for any year.

An issue raised, and one which was to arise again during the Committee's investigation into dampness in housing was why the SDD did not utilise the national house condition survey technique adopted in England. The SDD's response was that both the SHAC 1972 Report on assessing housing needs,[26] and the 1977 Green Paper on the Housing Policy review[27] had placed increasing emphasis on the fact that local problems were different. "I think it is because of this emphasis on the distinct nature of the problem between one area and another that the Scottish Office has not so far thought that

the relatively elaborate kind of survey that would be needed if any value was to be got out of it is a useful thing".[28]

The only sustained questioning came from the Chairman to the Minister and sought to establish why the Scottish Office had chosen to link capital expenditure consents to rent increases rather than to utilise the public inquiry provisions of the Housing Rents and Subsidies [Scotland] Act 1975. [This exchange it would be fair to say, the Minister won on points.] In general members appeared to lack the specialist knowledge required to pursue points raised. This coupled with the Conservative members' tendency to emphasise the quantitative surplus rather than the qualitative problems existing and to suggest that large urban areas such as Glasgow were attracting more than their fair share of resources combined to give the witnesses a fairly 'easy ride'. In particular the Committee failed to establish the criteria which the SDD utilised in allocating capital expenditure consents.

It was interesting to note that when David Lambie raised the question of equity in subsidy allocation between the owner occupier and the public sector he was quickly cut off by the chairman suggesting that Labour did not wish to imply that they intended to challenge the status quo on mortgage interest tax relief.

As indicated at the outset the Report is largely confined to a description of the system. It does, however, contain

some comments and implied criticism. First - insufficient attention was being given to special needs. Second - whilst accepting on balance that there was a case for discontinuing annual submissions of housing plans this was with two provisos [a] that where there were gaps in the plans local authorities should be encouraged to submit ahead of schedule and, [b] that there should be positive and not grudging encouragement to local authorities to submit ahead of schedule.

There was also an implication that the SDD was taking too hard a line on rent increases when half the housing authorities in Scotland had budgeted that year for a rate fund contribution in excess of the SDD guidelines. Glasgow had been penalised by the withholding of capital expenditure consent although its rents were above the national average. "We think it right to bear in mind the special housing management and repairs problems which Glasgow must encounter as the result of the high proportion of multi storey flats [it its stock]".[29] Although the Minister had raised the issue of Glasgow's high level of expenditure on repairs during the evidence session he was not challenged on these grounds at the time. Once again suggesting a lack of specialist knowledge on the part of members.

The Report did not seek any specific response from Government and had no observable impact on policy.

DAMPNESS IN HOUSING

Introduction

This inquiry which commenced in February 1983 was chaired by David Lambie. The Buildings Officer of Dundee University acted as special advisor to the Committee. The selection of the topic appears to have owed much to the constituency experiences of Committee members. It was also an issue about which members could agree that something required to be done, the question being how best to achieve the objective - what has been described as a 'valence issue'.[30] There was also the advantage that the cause of the problem could not be attributed to any particular government although as remedies had resource implications there was inevitably going to be conflict with the Government.

The Inquiry and The Report

The Committee heard evidence on eleven occasions between 14 February 1983 and 27 April 1983.[31] Oral evidence was given by Allan Stewart, Under-Secretary at the Scottish Office, and SDD officials; and, by representatives from the Building Research Establishment, COSLA, the Scottish Local Authorities' Special Housing Group, local authorities, tenants' groups, pressure groups,professional and building trade employers' organisations and Strathclyde University. Written evidence was received from trade and professional organisations and from local authorities. In addition the Committee visited the Building Research Establishment at East Kilbride and inspected houses affected by dampness and remedial work being carried out.

The wide range of topics arising during the evidence sessions included:- the extent of the problem; the type of dwelling affected and the estimated cost of effectively tackling the problem. The efficacy of different remedial techniques such as the use of dehumidifiers, heat pumps and cavity wall insulation; to what extent the problem was conditioned by, on the one hand, physical factors, and on the other, social factors; the role of the SDD in controlling housing standards, the introduction of advisory housing cost indicators and the desirability of 'whole life costing' in housing investment appraisal; the significance of the Building Standards Regulations, in particular their application to modernisation work and the proposal to delete space standards from the Regulations [The Building Regulations were currently under review.]; heating standards and the adequacy of heating allowances to low income households - particularly those occupying difficult to heat houses; the lack of independence of environmental health officers in dealing with complaints of dampness in local authority dwellings, and the inadequacy of the nuisance provisions of the 1897 Public Health Act; the effect of cuts in expenditure on public sector housing, and whether or not a capital expenditure allocation to local authorities for dealing with the problem should be hypothecated; the advantages of the development of district heating systems; and, the need for further research.

The issue which perhaps created most controversy and, as mentioned earlier arose during the inquiry into capital

mentioned earlier arose during the inquiry into capital allocations, was as to whether or not there was a need for a national house condition survey in Scotland, on the lines practiced in England. The SDD was opposed to the suggestion while all the other witnesses who were asked to comment on the issue were in favour, although one witness, from the Scottish Local Authorities' Special Housing Group qualified his support by suggesting that a pilot survey should be carried out in the first instance. The SDD argued that the existing machinery for collecting information on dampness was adequate and indeed superior to the national house conditions survey in this regard. It did, however, intend to expand the information being gathered during a forthcoming EEC Labour Force Survey. While the evidence sessions were being conducted the SDD announced that it intended to carry out a house condition survey of the inter war private sector stock in and around the main urban areas. The primary motivation appears to have been, and indeed the Minister made this clear during the final evidence session,[32] that the Department, in conjunction with COSLA, was in the process of reviewing the arrangements for the distribution of repair grants. It is also significant that Conservative backbenchers had been advocating the raising of rateable value ceilings in order to make repair grants more widely available to retired owner occupiers.

During the sessions much of the evidence given was of a technical nature. On the whole, the Committee members appeared to cope pretty well with this and were able to

they appeared less adequately equipped was on the administrative and legal background and on housing statistics. For example, during the final evidence session when the provisions of the 1897 Public Health Act were being discussed, and reference was made to an important test case in the Renfrew district, the chairman did not appear to be clear as to whether he was dealing with one Act or two.[33] At one point in an earlier session a Conservative member suggested that "193,000 private sector houses were built this year in Scotland".[34] The actual figure was nearer 15,000.

At the time of the 1983 dissolution the Committee had not produced its Report and publication was delayed until February 1984 by which time the Committee had been restructured and only seven of the members who had been involved in the inquiry remained on it. At the press conference which accompanied the publication David Lambie, the Chairman, "confessed that the recommendations of the Report had been 'watered down' from the one planned before Parliament was dissolved". Barry Henderson, the senior Conservative member, said "the Report was 'not as sharply worded' as the one the old Committee would have provided".[35]

The three principal recommendations were:- first - for the establishment of a 'dampness task force', a temporary special co-ordinating body which would be quasi autonomous in status and composed of representatives from the SDD, COSLA, the Scottish Local Authorities' Special Housing Group, and the Building Research Establishment, and which would be

augmented as necessary from other institutions such as the universities. It would also advise on research, disseminate information, and take a leading role in co-ordinating survey work. "It would not allocate resources, but would be in a position to give authoritative advice to those who do".[36] Second - the initiation of a small scale pilot survey to establish whether or not a national comprehensive survey was required and to identify techniques which could be most effectively used in such a survey. Third - the hypothecation of capital allocations to combat dampness to ensure they were not spent on other areas of housing need.

The other recommendations included: more emphasis on whole life costing; the wording of the Building Regulations in such a way that disputes over interpretation of their application to improvement work would be less likely to arise, and the deletion of space standards from the Regulations only subject to safeguards; higher priority for maintenance work; a publicity campaign to inform tenants on methods of reducing condensation; a review of the position of environmental health officers and the adequacy of the Public Health Act nuisance provisions; the carrying out of further research into methods of eliminating dampness; the installation wherever possible in modernisation schemes of landlord controlled district heating systems; and, an inter-departmental inquiry should be carried out into the adequacy of heating allowances.

No specific recommendations were made on the financial

resources required. The evidence received had produced widely varying estimates as to the cost of the remedial work required. A comprehensive survey of the type recommended "might enable the necessary level of resources to be more accurately estimated".[37] However, at the press conference David Lambie quoted a figure of £500 million given by the Scottish Local Authorities' Special Housing Group.

The Government's Response

The Government's reply was published on 9 May 1984. "The Government [were] not convinced that a national house conditions survey could be justified by any further light it might be expected to shed on the problem of condensation [and] in the circumstances [did] not consider that a centrally funded pilot survey would be appropriate". The Government was "not persuaded of the necessity or desirability of establishing a dampness task force". No additional funds would be available and the recommendation that funds should be hypothecated was not acceptable.[38]

The Committee's view that 'whole life costing' should be the norm was endorsed; account would be taken of the Committee's suggestions during the current review of the Building Regulations; the Committee's comments on planned maintenance were endorsed; the Government would take up with COSLA the question of a publicity campaign for tenants; emphasis on the environmental health officers' lack of independence since local government reorganisation 'might be misplaced' but the Government would take up with COSLA and the environ-

mental health officers' professional body the problems relating to the Public Health Act; the Government intended to encourage the formation of consortia to develop district heating schemes in suitable areas; since the Committee had reported the Government had announced a review of the supplementary benefits scheme, however, difficulties were foreseen in the Committee's specific proposals for heating allowances and the Government did not believe 'any useful purpose' would be served in setting up an inter-departmental inquiry; the Government was already funding research by the Building Research Establishment into causes of condensation and would continue to support such research.

The rejection of the principal recommendations was predictable. The Department had all along resisted the suggestion of a national house condition survey for the fairly obvious reason that it might bring to light poor maintenance standards which could be attributed to cutbacks in expenditure . The proposed quasi autonomous task force, particularly as it was to have the role of making recommendations on resource allocations, was obviously unappealing to Government. The hypothecation of capital allocations for the eradication of dampness was advocated by COSLA. On the face of it this is somewhat surprising because it runs counter to the concept of local autonomy. The explanation for COSLA's support, and it seems likely in part at least, for the Government's rejection of the proposals, was that it would have placed the latter in a situation where it was disclosing to an extent the criteria by which it arrived at capital alloca-

tions, something which it had so far successfully avoided as was seen when examining the Report on Housing Capital Allocation.

The only apparent immediate impact of the Report was to bring a commitment on the part of Government to take account of the Committee's observations when reviewing the Building Regulations, and to review the nuisance provisions of the 1897 Public Health Act. However, the Report obviously embarrassed the Government. The Secretary of State was advised by his civil servants not to hold the customary press conference when the Government's response was published because it "would be likely to focus on very unhelpful questions about the extent of condensation problems and why no additional resources had been made available to help local authorities deal with the problem".[39] This fact had come to light when a copy of the memo to the Secretary of State was inadvertently enclosed with a copy of the reply sent to the Chairman.

A National House Conditions Survey - Subsequent Developments

As mentioned at the end of the previous chapter the accuracy of the Scottish Office Environment Department's[40] statistics on Scottish housing conditions was recently the subject of inquiries, the first by the Comptroller and Auditor General [the report[41] being published during session 1990/91], and subsequently by the Commons Public Accounts Committee [which reported[42] in November 1991].

The Public Accounts Committee had questioned Department officials "on the reliability of their information on house condition, the reasons for shortcomings in their information, how they intended to improve their information and what action they intended to take to monitor progress in house condition". The officials had "agreed that comparatively little information was available on the condition of the housing stock in Scotland. They [had] explained that they were actively seeking more information and that the picture was becoming clearer all the time. But local surveys did not provide all the information they needed about Scottish housing and that was why they were conducting a national house condition survey of the sort which had been conducted regularly in England, Wales and Northern Ireland". The officials had "accepted that the information available to them on below tolerable standard housing was unsatisfactory and that the figures were likely to be considerably too low. - - The current national survey [announced in March 1989] was due to be completed in 1993. It was intended to repeat the survey every five years which would give a picture of the trend and enable [it to be seen] more clearly what was happening". The officials had "agreed that unless they had a total picture of house condition they were not in a position to frame the best policy for meeting problems. They [had] acknowledged that the results of the surveys would enable them to target resources with greater accuracy".[43]

The Committee concluded "that the Department [needed] better

information on the condition of housing in Scotland, and [noted the] agreement [of officials] that improved information would enable them in future to target their resources with much greater accuracy. [It was] therefore glad to note the Department's decision to launch a national house condition survey and their intention to conduct further such surveys every five years".[44]

If nothing else, these events may serve to redress the 'power' balance between the Scottish Office and a re-established Committee on Scottish Affairs. A balance which was so clearly cast in the Scottish Office's favour in the inquiry into Housing Capital Allocation.

NOTES AND REFERENCES - CHAPTER IX

1. HC 366 I 1980/81, Second Report from the Environment Committee, Council House Sales.

2. HC 112 I 1980/81, Second Report from the Committee on Scottish Affairs, Housing Capital Allocation.

3. HC 206 I 1983/84, First Report from the Scottish Affairs Committee, Dampness in Housing.

4. Gillett, E., Investment in the Environment, op. cit. p.18.

5. In Scotland a 'general consent' to sales did not operate. Local authorities had to make application for permission to sell.

6. Housing Policy - a Consultative Document, Cmnd. 6851, op. cit.

7. Ibid. p.107 par. 11:38.

8. Reiners in Drewry, G., [Ed], The New Select Committees - a Study of the 1979 Reforms, Clarendon Press, Oxford, 1985.

9. Ibid.

10. In the event average annual sales in the five years subsequent to 1985 were in excess of 132,000.

11. Most purchases have been financed privately and it has not created a problem.

12. HC 366 I 1980/81, op. cit. par. 167.

13. Ibid. par. 136.

14. Ibid par. 175.

15. 976 [Part I] HC Deb. 5 S. Cols. 1493 & 1519.

16. 412 HL Deb. 5 S.

17. Guardian 15/7/81.

18. Department of the Environment, Government's Reply to Report by Environment Committee on Council House Sales, Cmnd. 8377, H.M.S.O., 1981.

19. Ibid.

20. Ibid.

21. Labour Party, The New Hope for Britain, The Labour Party, London, 1983.

22. Scotsman 5/10/83.

23. Labour Party, Its Time to Get Britain Working Again - Labour's Election Manifesto 1992, The Labour Party, London.

24. Scottish Development Department Circular 76/1976.

25. HC 112 I 1980/81, op. cit. par. 2.

26. Scottish Development Department, Planning for Housing Needs: pointers towards a comprehensive approach, op. cit.

27. Scottish Housing. A Consultative Document, Cmnd. 6852, op.. cit.

28. HC 112 1980/81, Housing Capital Allocation - Minutes of Evidence.

29. HC 112 I op. cit. par. 13.

30. Kellas in Hill, D.M., [Ed], Parliamentary Select Committees in Action, op. cit.

31. HC 206 II 1983/84, Dampness in Housing - Minutes of Evidence.

32. Ibid. Q.931.

33. Ibid. Q.1010.

34. Ibid. Q.484.

35. Scotsman. 23/2/84.

36. HC 206 I 1983/84, op. cit. par. 84[20].

37. Ibid par. 81.

38. HC 419 1983/84 Dampness in Housing. Government's Reply to Committee on Scottish Affairs.

39. Scotsman, 15/5/84.

40. Successor to the Scottish Development Department.

41. HC 485 1990/91, op. cit.

42. HC 84 1991/91, op. cit.

43. Ibid, p.VII.

44. Ibid, p.VIII.

CHAPTER X - LOCAL AUTHORITY HOUSING ALLOCATION POLICIES

Introduction

As Dame Evelyn Sharp, Permanent Secretary to the Ministry of Housing and Local Government 1965/66, was to observe in 1969, selection of tenants for their housing stock was an area in which local authorities enjoyed complete discretion. "Ministers are frequently pressed to intervene - - but are usually glad enough to disclaim responsibility. General advice is given to local authorities from time to time, but they are free to go their own way - and do. These are indeed matters which must be settled locally; but the degree of local independence does not make it any easier when it comes to trying to meet housing needs which often have no relationship to local boundaries".[1]

It is with the preparation of 'general advice' for local authorities on housing allocation, and in particular the utilisation of a committee of inquiry in this connection - a Sub-committee of the Central Housing Advisory Committee - more specifically the Housing Management Sub-committee, that this chapter is concerned.

Chaired by J B Cullingworth the Sub-committee was appointed in February 1968 its terms of reference being - 'to review the practice of housing authorities in allocating tenancies and rehousing and to suggest rules or principles to be followed in these matters'.

In addition to the Chairman the Sub-committee had a membership of twelve, seven of whom were co-opted. A considerable proportion of the membership were from local authority backgrounds either elected members or officials, and there was one MP - Julius Silverman. The Sub-committee was supported by two assessors, one of them an academic, and by two joint secretaries and an assistant secretary, one of the joint secretaries being a qualified housing manager. Research assistance was provided by two academics from the Centre for Urban and Regional Studies at Birmingham University.

The Inquiry and The Report

Evidence was called for by press notice and by invitation to selected individuals, organisations including professional bodies, and government departments; and a questionnaire was sent to 131 local authorities chosen on a sampling basis. The Sub-committee which was asked to complete its work 'within about a year' [a period which proved inadequate] met on twenty-five occasions and its Report - 'Council Housing - Purposes, Procedures and Priorities'[2] was published in the summer of 1969.

As the title suggests the Sub-committee considered at the outset the purpose of council housing - 'what was council housing for', and how was the context in which it was administered changing. It concluded that the purpose of the sector, and the policies which should be pursued within it,

could not be determined without regard to the purposes and policies of the other sectors of the housing market. "The most significant feature of housing provision in Britain is its division into a number of sectors each of which is affected, aided and controlled in different and frequently conflicting ways by Government. There is little relationship between the policies operated in relation to these different sectors. As a result major issues facing each sector stem from policies designed to deal with quite different issues in other sectors".[3]

This conclusion reinforced by recommendations of the recently published Seebohm Report[4] that local authorities should take a 'comprehensive and extended view of their housing responsibilities to meet the housing needs of their areas', and that there should be a 'thorough examination of the whole field of the allocation and subsidisation of housing' led in turn to the Sub-committee highlighting the restrictive nature of its terms of reference and the 'dilemma' with which it had been faced. "Our terms of reference referred only to council housing but how were we to consider this adequately without looking at other agencies of housing provision and the policies operated in relation to them - we were asked to look at only one patch of a patchwork quilt. We were not asked to carry out an investigation into the changing housing situation and the ways in which housing needs could best be met. We could not look at broad issues such as the relationship between council housing and owner occupation or the impact of housing finance - subsidies and

tax relief on the total housing situation".[5] It was pleased to learn that the Ministry was undertaking a study of housing finance in both the public and private sectors - the Report might need reviewing in the light of any fundamental changes which might emerge from the review, and contribute to a wider review of which the Ministry's study was an essential part.

Turning to the changing context of council housing - the changing character of the housing situation, the Sub-committee identified two aspects for particular consideration - the changing tenure pattern and the changing use of housing space. With regard to the former the most significant development was the 'huge decline' in the privately rented sector with its consequences for households wishing to rent or unable to buy. Local authorities must take a wider responsibility for people who at one time would have been housed it the private sector and this had implications for policies with regard to acceptance of applications on to waiting lists, and as to whom local authorities were prepared to house. With regard to the use of housing space the most significant development over the preceding fifty years had been the decline in room occupancy rates mainly as the result of a fall in average household size to which a growth in the number of single person and elderly households had contributed.

Its review of current local policies had convinced the Sub-committee that local authorities required a "clearer, deeper

and more detailed understanding of the housing situation in their areas; [there was] no longer a single 'national' housing problem but a large number of local problems of great variety and local and regional policies [required] to be forged to deal appropriately with particular problems".[6] "And the responsibilities of local housing authorities should extend far beyond providing for the needs of those who were actually to be housed by them - they should be looking for hidden needs, for needs which were not met elsewhere and for needs which might arise in the future".[7] The traditional 'waiting list' approach to assessing housing need was clearly inadequate. What was required was comprehensive information - and a procedure, analogous to that recently introduced for the production on a 'continuous review' basis of development plans for the town planning system, was suggested.

When it came to allocating council houses what were to be the priorities? It was no longer sufficient to depend on objective factors such as overcrowding and sharing, social and economic circumstances should also be taken into account. Particular attention should be given to those whose incomes were low in relation to their needs, although it was also important to maintain a broad spectrum of income groups within a community.

More controversially, it was also suggested 'problem families' should be given special consideration. "It is not easy for a council to justify to its electorate the rehous-

ing of families in arrears of rent, unmarried mothers or, indeed any group which does not conform to the accepted canons of good behaviour. Yet these are often the very people [and electors] whose social needs demand attention by local authorities. Unlike others who may be judged to have a stronger moral claim on the local authority their only opportunity to obtain good housing may be via the local authority. At the same time, to the extent that their mode of life is judged to be inadequate and in need of change, the tenancy of a council house provides a base on which the personal social services can build".[8] The Sub-committee was convinced that fears expressed by housing managers that such policies would encourage 'queue jumping' were exaggerated.

Although there had been arguments presented to the Sub-committee for more central government control over allocation policies in a bid to secure greater uniformity of practice in housing allocations, to prevent discrimination against particular groups or to ensure greater equity, it did not favour such a development. What it recommended was that the housing management advisory functions of the Ministry be strengthened "to assist local authorities to keep up with current thinking on housing policy and the best in management at a time when social and economic changes [were] taking place on a broad front. It [implied] no sanction other than the normal persuasive pressure which it was already open to the Ministry to apply".[9]

Turning to the details of selection schemes the Sub-committee considered - that local authorities should have a statutory duty to publish details of the method used, and measures should be taken to ensure that information and advice reached those who required it. Training of housing visitors and housing managers 'left much to be desired' and arrangements for this should be reviewed. The practice of 'grading' prospective tenants by some authorities with a view to allocating 'suitable' houses gave the Sub-committee particular grounds for concern. "There is a danger that applicants are graded according to the interpretation of their desert - we were surprised to find a number of housing authorities who took up a moralistic attitude towards applicants; the underlying philosophy seemed to be that council houses were to be given only to those who 'deserved' them. Thus unmarried mothers, cohabitees, 'dirty' families and transients tended to be grouped as 'undesirable'. Moral rectitude, social conformity, clean living, and a 'clear' rent book sometimes seemed to be essential qualifications for eligibility at least for new houses".[10]. [An appendix to the Report gives details of the matters which the Sub-committee considered should be discussed on a home visit.]

In the Sub-committee's view the selection of individual tenants for houses should be undertaken by officers and not by elected members, although the latter should be responsible for the formulation of policy - clearly set out - on which practice was based. Various selection systems in use were reviewed and it was concluded that no one system was

appropriate generally. 'Merit' schemes had the fundamental drawback that they could not be published and consistency and impartiality must always be in doubt. Points schemes could measure only objective factors which were capable of pointing. Date order schemes had advantages where there was no real housing problem. Social need, the importance of which the Sub-committee stressed, should be separately assessed by the 'appropriate non-housing department'.

'Residential qualifications' for admission to local authority waiting lists had given rise to 'much controversy' and had been 'unanimously condemned' by previous reports of the Housing Management Sub-committee, the last occasion being fourteen years earlier. The Sub-committee concurred with these earlier reports regarding it as important both in relation to the rights of applicants and the requirement of local authorities to have as full information as possible on the demand in their area that there be no barrier to application. And, it went further in "holding it to be fundamental that no one should be precluded from applying for, or being considered for, a council tenancy on any ground whatsoever".[11] This rule the Sub-committee considered should be made a statutory obligation.

On the issue of exchanges and transfers for tenants the Sub-committee noted that much of the debate was pre-occupied with the issue of under occupation and it considered this to be wrong. It "did not view under occupation as a 'problem' but as a great deal of argument [centred] on it [had] felt

it necessary to discuss it at some length, [and had reached the conclusion] "that the real problem was that of providing a good balance of house types in each locality and assisting the movement of those occupying dwellings of a size which they themselves considered to be too large".[12] [It noted that a better use of space had been achieved in the local authority sector than in the owner occupier, and privately rented sectors.]

The Sub-committee endorsed a request issued two years earlier by the Ministry that local authorities should accept applications from incoming workers. It 'deprecated' the practice of tying council houses to particular firms. If workers were needed for the economy of an area then the local authority had a responsibility to ensure houses [without any special conditions] were provided.

Having reviewed the existing statutory provision and current practice with regard to rehousing of people displaced by 'any public action' the Sub-committee concluded that an obligation to rehouse should extend to all households and parts of households irrespective of size or tenure, but the obligation should not necessarily be to provide a local authority house. A household might prefer accommodation in one of the other sectors, and the obligation should be to ensure that 'all persons displaced were satisfactorily rehoused'. Where a local authority acquired an owner occupied house and gave the dispossessed owner tenancy of one of their houses this should not reduce the compensation

payable. In general the operative date for the rehousing obligation should be the date of confirmation of the relevant compulsory purchase order, but that approach might have to be modified in areas of acute housing stress.

There were 'some important needs' to be taken into account when considering housing provision to which the Sub-committee drew attention. An adequate number of larger houses should be provided for large households within their rent paying capacity. The number of elderly households was increasing rapidly - provision should not be solely of one bedroom houses - they should have the choice of more space if they wished; and elderly owner occupiers should not be excluded from applying for local authority houses. There was also a significant increase in the number of one person households, while the supply of accommodation traditionally occupied by this group was declining; encouraging development by housing associations would be a possible source of new provision.

The Sub-committee had "devoted a considerable proportion of its Report to the question of housing coloured people. Despite a significant body of evidence which [had] urged [it] not to 'make an issue' of colour". It had done this for two reasons. First because it considered that housing management like industrial management could "not do its job in Britain today without a conscious and positive approach to race relations". Secondly because there was "undoubtedly a need for guidance to be provided for local authorities

and local authorities would expect a lead from [it]".[13] Although charges of discrimination had been made against local authorities the Sub-committee had not attempted to establish whether or not they could be justified. ['we stress that we are not a court of inquiry'.] "Nevertheless it [was] clear that [there were] policies and practices which [had] a discriminatory effect. Coloured people being largely newcomers [were] affected by residential qualifications, and because newcomers tended to take furnished accommodation, they [were] particularly affected by an interpretation of rehousing obligations which [excluded] those in furnished tenancies. These, and similar, generally applicable rules [had] the effect [though not the purpose] of discriminating against coloured immigrants".[14]

Coloured immigrants, like any group from cultural backgrounds which [were] 'strange' to housing visitors [might] also tend to be unfavourably treated - from the practice of assessing applicants according to their housekeeping standards".[15] "Coloured people [would] also tend to be ignorant of the 'council house system'. They [might] find it incomprehensible and shrouded in mystery".[16] With regard to these matters the Sub-committee expected coloured people to benefit from the changes recommended on general grounds.

The case for 'positive discrimination' had been considered by the Sub-committee but it had rejected it. "It is appropriate for areas of concentrated need but not for particular groups of people".[17]

It had also considered the issue of dispersal and was concerned "that any policy of dispersal in the field of housing must be implemented with great sensitivity, with no element of compulsion or direction, and [could] proceed only at the pace of the needs and wishes of the people involved. It must not be assumed that coloured people [wished] to disperse themselves among the white community but at the same time the opposite must not be assumed - it [was] very easy for local authorities to conclude that coloured people [wished] to live in concentrations. Limited employment opportunities [could] conspire to reinforce this".[18]

Reaction to The Report

As mentioned in Chapter II the Sub-committee's criticism of its terms of reference and its call for a review of policy particularly with regard to subsidy arrangements was unlikely to have been very well received in government and may, to an extent, have contributed to CHAC's demise. Beyond that, central government's response to the recommendations was rather mixed and slow.

In 1973 the Conservative Government's Land Compensation Act [together with a subsequent amendment in the Housing Act of the following year] provided that persons displaced from their homes by acquisition, redevelopment, or improvement be entitled to rehousing if suitable alternative residential accommodation on reasonable terms was not otherwise available to them. The same Act provided that the provision of

a local authority house should not be taken into account in the assessment of any entitlement to compensation for acquisition of property.

The Labour Government's 1977 Housing Policy Review Green Paper in a section on 'local authority allocation practices' includes the following passage.

> "The Government wish to maintain their policy of giving the maximum freedom to authorities to interpret and implement national policies in the light of local circumstances. They therefore believe that proposals to control local authorities' allocation policies centrally - for example by laying down a statutory framework for allocation schemes - should be rejected with the following exceptions:
>
> - ending the practice of imposing residential and other qualifications for inclusion on a housing list;
> - requiring the publication of allocation schemes.
>
> On the first exception, the Government shared the view of the Cullingworth Committee that it is 'fundamental that no one should be precluded from applying for or being considered for a council tenancy on any ground whatsoever'. Today, eight years after the committee reported the practice of acquiring a period of residence is still widespread. The case for legislation will be considered.
>
> As regards the second, a local authority's method of

allocating housing must be seen to be fair. The Government will introduce legislation requiring allocation schemes to be published. Such a requirement need not entail impersonal or rigid procedures. But the criteria for allocation must be clear".[19]

The Conservatives' Housing Act of 1980, although it required local authorities to publish details of their housing allocation rules, made no provision against residential qualifications. On the latter aspect it differed from the parallel Scottish legislation, albeit that the Scottish measure was qualified.[20] The decision not to take similar action in England and Wales was, in all probability, conditioned by concern for the implications for London housing authorities.

There was to be no review of training for housing management as the Sub-committee had recommended.[21] But, its recommendation on improving the housing advisory functions of the DoE did eventually bear some fruit when in 1976 "a housing advisor was appointed [the post of housing management advisor established in 1944 had been vacant since 1973] to determine the organisation and working arrangements of a professional advisory unit, to promote good professional practice within housing organisations and to advise the Department on matters relating to housing policy".[22] The advisory unit was to be supported by a housing services advisory group which had been established in 1975 and which "included local authority members and officers, representatives of the voluntary housing movement and others

with a special knowledge of housing. [It was] to consider the field which housing services in the public sector should embrace, and to examine and provide guidance on the handling of specific issues".[23]

It was with regard to its proposals for the comprehensive assessment and continuous review of local housing needs that the Sub-committee perhaps had its most significant impact. Although the system of housing investment programmes was not to be in operation until some nine years later, and although there were to be other motivating factors involved, including the Department's desire to withdraw from individual project approval, it clearly had its genesis in this Report.

And, although the Report of the 1972 SHAC Working Party on assessing housing needs,[24] which Cullingworth also chaired, has been credited with containing the origins of the Scottish housing plan system,[25] its findings had much in common with the CHAC Report [published three years earlier]. While the SHAC Report developed further concepts, particularly that of the 'comprehensive housing programme', its material on the changing housing situation and the requirement for a comprehensive assessment of local housing needs is very similar.

The response of local authorities, and of those responsible for implementing housing allocation procedures, is more difficult to assess, although it is evident from the extract quoted earlier from Labours' 1977 Green Paper that, on one

aspect significant to central government - residential qualifications, with their implications for impeding labour mobility, there had been little change for the better, and that housing allocation rules still gave grounds for concern.

The Report had a wide circulation - in 1974, five years after its initial publication it was in its third impression, and it may well have had a significant positive effect both in terms of educating, and in achieving changes in attitude. However, the degree of influence in this regard would be impossible to separate from the effect of increasing professionalisation occurring. Professionalisation was itself encouraged by the increasing size, scope, and status of housing departments to which local government reorganisation, in the mid 1970s and advocacy for the establishment of comprehensive departments from professional bodies utilising the recommendations of the Seebohm Report[25] contributed.

NOTES AND REFERENCES - CHAPTER X

1. Sharp, E., The Ministry of Housing & Local Government, Allen & Unwin, London, 1969, p.74.

2. Department of Environment & Welsh Office, Council Housing - Purposes, Procedures & Priorities, Ninth Report of the Housing Management Sub-committee of the Central Housing Advisory Committee, H.M.S.O., 1969.

3. Ibid. p.3.

4. Home Department et. al.Report of the Committee on Local Authority and Allied Personal Social Services, Cmnd. 3703, H.M.S.O., 1968.

5. Council Housing - Purposes, Procedures & Priorities, op. cit. ps. 3 & 4.

6. Ibid. par. 27.

7. Ibid. par.39.

8. Ibid. par. 59/60.

9. Ibid. par. 68/69.

10. Ibid. par. 96

11. Ibid. par. 169.

12. Ibid. par. 200.

13. Ibid. par. 352.

14. Ibid. par. 508.

15. Ibid. par. 509.

16. Ibid. par. 510.

17. Ibid. par. 511.

18. Ibid. par. 512.

19. Housing Policy: A Consultative Document, Cmnd. 6851, op. cit., paras. 9.20 - 9.22.

20. The Tenants' Rights, Etc., [Scotland] Act 1980. The original intention of the Scottish Office had been to abolish residential qualifications but the provision was modified to require an applicant to demonstrate a need to live in an area for employment, social, or medical reasons. Gillett, E., Investment in the Environment, op. cit., p.39.

21. Scottish Development Department, Training for Tomorrow, An Action Plan for Scottish Housing, op. cit.

22. Smith, Mary E.H., Guide to Housing, 2nd Ed., The Housing Centre Trust, London, 1977, p.6.

23. Cmnd. 6851, op. cit., ps. 133-134.

24. Scottish Development Department, Planning for Housing Needs: pointers towards a comprehensive approach. op. cit.

25. See Keating, M., and Midwinter, A., The Government of Scotland, Mainstream, Edinburgh, 1983, ps. 160-161 and, HC 112 1980/81 op. cit. Q.2.

26. Cmnd. 3703 op. cit.

CONCLUSIONS

I - GOVERNMENT APPOINTED COMMITTEES OF INQUIRY

Inquiries conducted by six government appointed committees of inquiry have been reviewed. The first three - the Ridley Committee, the Milner Holland Committee, and the Francis Committee were concerned exclusively or mainly with the private rented sector of the housing market. Two others - the Denington Sub-committee, and the Cullingworth Sub-committee were concerned with slum clearance and improvement policy. The sixth - the Cullingworth [Housing Management] Sub-committee was concerned with local authority housing allocation practice.

At the outset seven possible benefits, in addition to delay, were identified as flowing to government from the use of committees of inquiry, and it was postulated that there might be an inclination to establish an inquiry in circumstances where such considerations individually or in combination could be seen to be of significance. To what extent do the inquiries considered here support that prediction; what was the impact of the anticipated benefits; and, were there circumstances where some other of the potential benefits listed became significant, or the anticipated benefits less significant, due to changing circumstances? The inquiries will be considered in turn.

The establishment of the Ridley Inquiry, it is suggested, could be anticipated as bringing three of the benefits: producing a solution to the problem of inconsistencies in

rent levels which had developed; building a political consensus across the Parties to support the continuation of state intervention in the private rented sector and for the introduction of 'fair' rents; and, legitimising the adverse impact the proposals might have on individual landlords and tenants. In the event, as has been seen, the 'solution' - the establishment of tribunals to determine 'fair' rents - was not complete, because the Committee did not provide a method of achieving consistency between different areas [and for that matter was vague about what should constitute a 'fair' rent], and although a consensus was achieved for the application of rent regulation to the existing private sector stock, it was not achieved for new properties nor for the local authority stock. [Despite the shortcomings of the Report subsequent developments in the mid 1960s suggest that a 'fair' rent system could have been successfully introduced at that time had there been the political will so to do.]

The Milner Holland Committee was appointed to independently establish the facts - it was not expected to produce recommendations, and clearly, whatever problems it might identify in the private rented sector, there was a confident expectation on the part of the Conservative Government [in the event unfulfilled] that the Report would show that the public sector housing stock in London was being inefficiently utilised, both in terms of the income groups being catered for, and in terms of levels of occupation of space.

As was demonstrated earlier, and as was pointed out at the time by the Conservative spokesman,[1] and subsequently by the then Permanent Secretary at the Ministry of Housing - it was "after the decision to appoint a Committee that the scandal associated with the name of Rachman broke". But, "it became generally [though wrongly] supposed that this was the reason for the Committee's appointment".[2]

While not disputing this sequence of events it does seem that there had been no haste to set the necessary machinery in motiion - five months having elapsed [and circumstances of considerable political pressure having developed] before the chairman of the inquiry was named - a point about which the Minister, Keith Joseph, seemed somewhat defensive when making the announcement. And, once it was established, although the Minister expressed himself as 'anxious to have the Report as soon as possible' the Committee does not appear to have been put under much pressure. In short, one gains the impression that delay in publication of the Report until after the impending general election would not be unwelcome.

It can be concluded then, that independent establishment of the facts and probably an element of delay were perceived as the principal benefits of the establishment of the inquiry. However, in the event, with a change in circumstances - the election of a Labour Government - a further major benefit emerged in the use by Crossman of the Report's findings to build sufficient of a consensus within his own party to

persuade left wing backbenchers to accept the proposals for 'fair' rents.

One can argue, as has Duclaud-Williams,[3] that the Report helped to include the Conservatives in the consensus as reflected in their failure to vote against the Second Reading of the Bill or to amend Labour's provisions when subsequently returned to power. And, reverting back to the reasons for the establishment of the Inquiry it is also possible that the Conservative Government anticipated the Report as providing evidence which would persuade its own right wing to accept some intervention in the private sector of the London housing market if the need was demonstrated [a policy to which the Party was committed at the 1964 election].

A major problem which had to be solved before the new 'fair' rent arrangements could be put into operation and one to which no solution had been found in the twenty year period which had elapsed since the publication of the Ridley Report, was what should constitute a 'fair' rent, and how to achieve consistency between different areas. As has been seen, the solution did not come from the Committee [it was not asked to address the issue] but it did come from a group of advisors which included members of the Committee. The significance of the existence of the Committee in this regard was, not only that it put Crossman in easy contact with expert advice, but more importantly, that he was able to use the status given to the advisors by their membership

of the Committee to 'sell' the solution to his own backbenchers.

While the objectives contributing to the establishment of the Francis Inquiry doubtless included the independent establishment of the facts, it is likely that the most important consideration was the provision of independent expert advice. Labour Ministers [and it is reasonable to assume their civil service advisors as well], were clearly concerned about the possible implications of responding to pressure from within their own Party to extend security of tenure to the furnished rented sector and must have hoped that such action would be recommended by the Committee. It also seems very likely that the delay resulting from the establishment of the inquiry was seen as a benefit. As it transpired of course the majority of the Committee recommended against security of tenure for the furnished sector.

Three potential benefits can be seen as contributing to the establishment of the Denington Inquiry - the solution of problems, legitimisation, and case building. The problems lay in the need to establish more accurately the condition of the housing stock. The Sub-committee was not expected to collect statistics, indeed as has been shown, it was discouraged from carrying out research. What it was expected to do was to devise [and legitimise] a set of common standards to reduce subjectivity, and so increase consistency, in assessing the extent of sub-standard housing, and the need for improvement, and for repair. [As it

transpired, establishing the extent of varying housing conditions was to be assisted by the application of sample survey techniques which the Report described - also introducing an educational role; and by the national house conditions survey which it recommended - at the same time legitimising central government intervention in an area which had traditionally been exclusively that of local government.]

In addition to house condition standards the legitimisation function could also be expected to extend to: perhaps more importantly, proposals for measures to secure the compulsory improvement and repair of owner occupied housing; and justifying rent increases for improved properties. Case building could be expected to support arguments: for modifying the Inland Revenue's attitude to depreciation allowances on improved property; for a more generous attitude to compensating owner occupiers of slum clearance property; and, for higher levels of expenditure on improvement grants.

The Sub-committee's legitimising role was substantially undermined by its failure to reach a consensus on compulsory improvement of owner occupied houses. Although, as has been seen, as events were to develop, this was rendered irrelevant. When it came to problem solving it clearly did not produce the response it was hoped for with regard to objective criteria for assessing housing conditions, although the national house conditions survey, which it endorsed, did provide significant information.[4] The Report may have been used to support the case which was successfully made for improved compensation for the owner

occupiers of slum clearance houses, but it produced no change with regard to tax allowances for depreciation of improved property. And, while there was to be an increase in expenditure on improvement grants, this was a result of a redirection of resources dictated by economic circumstances.

The Denington Committee's 'potential benefits' of problem solving, legitimisation, and case building were obviously shared by the Cullingworth Sub-committee, although the Scottish Office doubtless perceived them from a somewhat different perspective than the Ministry of Housing and Local Government. Legitimisation of compulsory improvement of owner occupied property [which in the event the Sub-committee did not do] was clearly a less significant objective in the Scottish situation. Compulsory powers already existed for tenemental improvement; and municipalisation in such cases, which the Sub-committee was to recommend, was probably favoured by officials because much of the work in tenemental improvement was likely to involve combination of existing flats.

The case building role would be seen as very important - indeed as presenting a special case - for resources. As the Report was, in the event effectively, to put it - "it [seemed] that housing conditions in Scotland [had] always been relatively poor compared with those obtaining in England".[5] With regard to problem solving the Cullingworth Sub-committee did a tidier job than Denington - producing the 'tolerable standard'. However, as mentioned earlier,

as subsequent events were to demonstrate this seemed to do little to improve the dependability of statistics on Scottish housing conditions.

A further perceived role for the Scottish Sub-committee was clearly to encourage greater local authority commitment to the improvement grant system. As has been seen a number of authorities had refused to operate the discretionary grant arrangements, and grant uptake levels were [proportionately] much lower in Scotland than in England and Wales. In the event, it could be argued that the approach adopted by the Sub-committee was to upbraid, and threaten with legislation as much as to attempt to establish a consensus, but it may have contributed to the increase in grant assisted improvement activity evident in the late 1960s.

In the case of the last of the six inquiries involved - that by the Cullingworth [Housing Management] Sub-committee into local authority housing allocation practice - the three potential benefits clearly discernible are consensus building, legitimisation, and education and attitudinal change. Consensus building was required if local authority co-operation was to be secured in, for example - the comprehensive assessment of housing need, removing restraints on admission to waiting lists, achieving a more positive approach to housing provision for labour mobility, and devolving authority for housing allocation to officials. Legitimisation would be required in attempting to achieve positive discrimination in housing allocation for groups

such as 'problem' families. Education and attitudinal change would be involved in disseminating information on housing allocation techniques, and improving staff practices when assessing households for rehousing. In relation to some aspects, arguably including some of those just mentioned, and certainly in addressing the question of housing coloured families, a combination of two or all three of the benefits was likely to be required.

The impact of the Report is difficult, indeed in some regards impossible, to assess. It is clear that attempts to build a consensus with local authorities on the need to remove residential requirements for admission to waiting lists, and to adopt a more enlightened approach to housing allocation policy were not particularly successful. Among those responsible for implementing local authority policies the Report may well have had a significant beneficial effect, both educationally and in changing attitudes, but the extent of the influence cannot be determined separately from that of increasing professionalisation.

In looking, by way of comparison, at situations where government has introduced legislation without a preceding inquiry it has been judged appropriate to focus on the policy area to which so much controversy has attached - the private rented sector.

The first significant piece of post war legislation affecting that sector, not preceded by an inquiry, was the Conser-

vative Government's Housing [Repairs & Rents] Act of 1954 which provided for an increase in rent to reflect the increased cost of carrying out repairs. A landlord qualified for the increase provided the property in question was in good repair and there was evidence of a specified minimum level of expenditure on repairs in several years previous. Here the Government was able to found its case on two independent reports, one produced by a professional body, the other by a specialist government appointed committee on construction costs which, together, offered a solution to the problem of how to determine the increase payable in individual cases and legitimised the level of increase. In the face of these reports there was general acceptance by the Opposition of the proposals.

The foregoing provisions apart, the 1957 Rent Act [also a Conservative measure], providing for the decontrol of rents and discontinuation of security of tenure, was the first occasion when legislation in this area had been introduced without a preceding inquiry since control was first introduced in 1915. The departure from conventional practice was conditioned by at least two considerations, both involving the need to minimise delay. First - stimulating supply in the private rented sector to compensate for the reduction in public sector supply arising from the proposed withdrawal of the general needs subsidy. Second - processing the legislation as early as possible in the life of the parliament in order to minimise the adverse electoral impact of the provisions.

It can be argued that as a result of the failure to appoint a committee of inquiry the Conservative Government missed out on the opportunity to gain access to expert advice which might have brought a more appropriate response to the perceived problem of security of tenure [and for that matter rent control], and the possibility of building a consensus across the Parties sufficient to achieve confidence on the part of investors essential to the effective operation of the market.

When Labour was returned to power in the autumn of 1964 it was committed to repealing the 1957 Act and as has been seen Crossman utilised the Milner Holland Report to support his proposals for introducing 'fair' rents and benefited from advice from members of the Committee. But in the absence of the Report would Labour have established an inquiry of its own, and if not, what would have been the consequences? The answer to the first question seems almost certainly 'no'. Electoral considerations were too pressing, as an extract from Dalyell's account of events demonstrates. "The 1964 Election had been fought by the Labour Party on the issue of exploitation by slum landlords of tenants in the inner cities, and it was precisely such urban areas that had produced for Harold Wilson the slimmest of parliamentary majorities.- - An incoming government with a majority so fragile that it could be forced into a general election at any time from the spring onwards. [And] with a major pledge on a populist issue, rent control, to be implemented".[6]

Labour had no developed proposals for implementing its commitment. Crossman, we are told, was "appalled [to find] the housing cupboard was bare".[7] Nevertheless, it does seem likely, that in the absence of an inquiry, Crossman would not have been denied a solution to the problem of implementing 'fair' rents. Other advisors in addition to members of the Committee contributed to the solution, notably Goodman, and the Committee members being significant figures in their field, woudl doubtless have been approached in any event. What Crossman would have lost was the legitimising role that the advisors performed by virtue of their membership of the Committee. This last point, coupled with the loss of evidence from the Report itself, would have, of course, made it more difficult for him to persuade Labour's left wing to accept the proposals. That this would have resulted in the loss of the Bill or even its significant amendment, however, seems unlikely. What would have been more at risk was Crossman's reputation within the Party.

It is also unlikely that the absence of a report would have made the Conservatives more inclined to subsequently amend the 1965 Act's provisions. As mentioned earlier, in Chapter V, they clearly saw the 'fair' rent concept as one which could be conveniently extended to the public sector - which they did in 1972.

There have, of course, been more recent legislative developments affecting the private rented sector - the introduction

of 'assured' tenancies and 'shorthold' tenancies in 1980, and their subsequent development in 1988 - without the establishment of committees of inquiry. However, none of these provisions have significantly adversely affected the interests of existing tenants, and in the anti-harrassment provisions there was clearly a recognition of mistakes having been made in the past, and evidence of an attempt to build a consensus with the Opposition. Ironically, the 'solution' - 'assured' tenancies [albeit perhaps in a somewhat modified form], might well have been introduced a quarter of a century earlier if a committee of inquiry had been appointed prior to the 1957 Rent Act.

Sufficient evidence has been advanced, it is claimed, to justify the prediction that circumstances could be identified in which governments might be inclined to appoint committees of inquiry. And, explanations have been advanced for inquiries not being established where the contrary might have been expected. In addition, situations have been found where, because of changing circumstances, benefits which might have been anticipated to flow from the establishment of an inquiry became less significant, or other of the listed benefits emerged.

Arguably, judged from the viewpoint of those establishing them, of the five pre-legislative inquiries examined, only one, that by the Cullingworth Sub-committee into sub-standard housing in Scotland, could be considered to have been a 'success'. The Ridley Committee failed to reach a full

consensus on rent regulation and to provide a method of implementing 'fair' rents. Milner Holland failed to produce the anticipated evidence on inefficient use of public sector housing in London. Francis failed to provide a consensus recommendation for extending security of tenure to the furnished rented sector. And, Denington failed to reach a consensus on compulsory improvement of owner occupied property. With changing circumstances, of course, Crossman was able to make effective use of the Milner Holland Report, although this was pure serendipity, while on the other hand, with the Conservative Government's change of policy on housing improvement, subsequent to the publication of the Denington Report, compulsory implementation was removed from the agenda. The Cullingworth [Housing Management] Sub-committee Report on housing allocation, different from the rest in the sense that it was primarily concerned with policy implementation, while satisfactorily addressing the objectives, with some of its comments, created grounds for embarrassment.

Although the circumstances surrounding the abolition of the two statutory housing advisory committees - CHAC and SHAC - have been examined, it has not been the objective of this exercise to explore the reasons for the general decline in utilisation of committees of inquiry by government which has occurred over the last fifteen years or so. Clearly such developments as increased dependence on private sector provision, and on market determined prices, standards, preferences, and priorities; the adoption by central gov-

ernment of a more confrontational approach in its relationship with local authorities; and, perceived shortcomings of committees of inquiry - being time consuming, and unrepresentative in their membership [the province of the 'great and the good'] have all contributed.[8] But, the striking feature about such committees on analysing the foregoing evidence on their application with regard to housing policy, is the unpredictability of their output and of the situation prevailing when a report has been produced.

II - The Environment Committee and the Committee on Scottish Affairs

Judged in terms of their perceptible impact on housing policy neither the Environment Committee nor the Scottish Affairs Committee have shown much success, and on the basis of the review of its inquiry into Improvement Policy, have both been less effective in this regard than their 'mutual predecessor' - the Environment Committee - certainly when one considers the change the latter achieved in the criteria for identifying housing action areas. Of course, as the Expenditure Committee demonstrated, just to measure success, or the lack of it, on the number of recommendations accepted or rejected by government may be over simplistic, and the influence may be achieved by more oblique means. And, for that matter, recommendations [or observations] can be concerned with details at one extreme to broad policy issues at the other, and the principal recommendations of both the Environment Committee and the Scottish Affairs Committee have been in the latter category. Further, even where a committee may be identified as having had an influence on policy other factors may have influenced the decision as well.

One important distinction to bear in mind when comparing the performance of the two 'departmental' Committees with the Expenditure Committee is, that as pointed out earlier, the latter was dealing with a pre-legislative situation. Governments are clearly more likely to be susceptible to

pressure from a pre-legislative committee, particularly, where as here, support could be built round concern for inequalities in resource allocation, and leverage exerted by exploiting the 'Scottish differences'.

In any event, influence on policy apart, the role of select committees being considered is the examination of policy. During the inquiry process ministers may be subjected to a level of questioning not possible on the floor of the House, and civil servants may be required to expound on policies and explain the reasons behind policies. The knowledge that a policy is potentially subject to scrutiny may mean that, even although a decision is not changed, the factors involved in a decision will be more closely examined. How effective have the Committees been in examining policy and what factors are likely to influence effectiveness? Before exploring this point it is probably appropriate to consider what criteria might best be applied in selecting issues for examination in the first place and to assess against these criteria how relevant were the issues adopted for investigation by the two Committees.

Earlier it was suggested that consensus may be considered a primary objective in select committee reports in that committees which produce such reports are likely to be regarded as most formidable. On these grounds contentious issues should be avoided, this being a particularly significant consideration in the case of the Scottish Committee for the reasons explained in Chapter II. But this observation

could also be applied to the Environment Committee. The Council House Sales inquiry was a case in point. While the Committee eventually managed to produce an agreed report it was only after considerable controversy within the Committee and the production of the agreed version appears to have resulted, to at least some extent, from the personal relationship between the leading members on both sides, Bruce Douglas-Mann and Nicholas Scott. However, if potential for consensus is to be the primary criterion for selection of topics then some policy issues may go unexamined - which seems an undesirable situation. In any event it can be argued that inquiries need not be regarded as unsuccessful if difficulty is experienced in reaching consensus or, for that matter, consensus is not achieved. Government backbenchers while they may not be prepared to challenge the main thrust of policies, may be prepared to support criticism of government departments and/or ministers as was evident in the cases of the inquiries into Council House Sales, and into the Private Rented Sector.

This is not to suggest that consensus reports may not bring advantages but perhaps, that consensus should be regarded as a bonus rather than as a primary criterion. Of course the fact that an issue is likely to be contentious may create difficulties in having it selected for investigation. There is obviously a considerable degree of bargaining in the selection of topics and Government backbenchers may be reluctant to embark on an investigation in this category, or only subject to considerable qualifications on the topics to

be discussed. This appears to have been what occurred in the case of the Scottish Committees's investigation into Housing Capital Allocation.

The foregoing consideration apart, Committees are limited in the number of issues that they can investigate, and a fairly obvious criterion is that issues should in general be significant. I think it can be accepted that the housing issues investigated by the Committees qualify in this regard. It may of course be that issues are important without having received much recognition but are put on the political agenda as a result of committee investigation, the issue of dampness in housing is a good example.

Apart from the scrutiny process select committees perform other roles and bring other advantages and in considering the criteria for selecting issues for investigation these should be borne in mind. In the first place they can be regarded as a particularly effective mechanism for gathering and discussing information and bringing topics to light. This was demonstrated in the case of the investigations into the Privately Rented Sector, and into Dampness in Housing. The latter investigation in particular brought a wide range of issues into discussion. The inquiry into Housing Capital Allocation, while the evidence taken was limited and the inquisitorial style weak, did cast some light on how the system operates.

Three of the inquiries examined, particularly the one into

Dampness in Housing, taking as it did, evidence not only from departments, quangos, and local authorities, but also from a fairly wide range of tenants' organisations and 'non established' pressure groups demonstrated a further advantage of the system - its capacity for widening the policy community. There have been suggestions that at many committee hearings organisations giving evidence are those which have already established other channels of access to the policy making system and that the select committee system only provides them with a further opportunity. In the case of the dampness inquiry this criticism would be difficult to sustain.

It may be concluded, that on the basis of the criteria identified - significance, putting issues on the policy agenda, increasing information, providing opportunity for discussion, raising topics, and widening the policy community - the housing issues selected by the two Committees, have been reasonably appropriate for investigation.

Regarding the information emerging from the Committees' activities, the question arises as to how effectively it will be disseminated, both within Parliament and without. As far as Parliament is concerned there has been criticism that reports have gone largely unpublicised principally because the Government except in a minority of mainly uncontroversial issues has failed to grant adequate time for debates on issues raised. When reports have been debated it has generally been a considerable time after their publi-

cation and/or the time allocated has been on Fridays. "This is a major shortfall in the support which the Government promised [and has generally given] to the select committee system".[9]

As far as the dissemination of information outwith Parliament is concerned this falls into two categories - information to the general public and information to specialist bodies. As far as the former is concerned this will depend on the interest shown by the media. As mentioned in Chapter II, the Scottish Committee [and the Welsh] appear to have been more successful in this direction than the other Select Committees. In general specialist bodies have shown a close interest in the Committees' activities and have reported developments in their journals.

Reverting to the question of the effectiveness of scrutiny it appears, on the limited evidence available from the examination of its two investigations, that the Environment Committee has been fairly successful in this regard and certainly more so than the Scottish Committee. A number of factors can be identified which seem likely to influence the effectiveness of committees in scrutinising policy:- information available; resources utilised; specialisation/knowledge; and, the attitude of members. Each of these factors will be examined in turn.

The information available to committee members, apart from that of their constituency experiences, will stem from two

principal sources - that given by outside witnesses, and that given by departmental representatives. The potential for gathering information from outside witnesses is considerable as was demonstrated in most of the investigations examined. The level of information coming from departmental ministers will of course be influenced by other factors mentioned but will also depend on the willingness of departmental representatives to disclose information. The Environment Committee met with some difficulties in this connection, particularly with regard to an investigation into the Department's capital expenditure on housing, a point alluded to in Chapter II. However, this can largely be put down to the combative style of the Secretary of State, Michael Heseltine, and regarded as a transitory problem.

The resources utilised by the Environment Committee in terms of specialist advisors were consistently more substantial than those utilised by the Scottish Committee. This was particularly apparent in the case of the investigation into Dampness in Housing where the latter engaged only one part-time specialist advisor, a technologist. One got the impression that the quality of the questioning in that inquiry could have been improved if an additional advisor had been available to brief members on administrative and legal issues arising. In general briefing is likely to be more significant to members of the Scottish Committee because they lack the opportunity to specialise and, as a group, they are likely to lack the background knowledge of

Environment Committee members who, to a considerable extent, appear to have been selected because of experience in local government and other relevant areas. There may at the same time, be a case for establishing a permanent research base for the Environment Committee, a resource which perhaps could be tapped to at least some extent by the Scottish Committee.

Conservative members of the Environment Committee appear in general to have been more willing to take the Department and ministers to task than have their Scottish counterparts. This was illustrated by the different attitudes adopted in the inquiries into Council House Sales, and into the Private Rented Sector, on the one hand, and the inquiry into Housing Capital Allocation on the other. This may be in part because Scottish backbenchers tend to be more "front bench orientated".[10]

In assessing the effectiveness of the Committees in examining policy one has also to consider the breadth of issues which have so far been investigated. Neither Committee has, for example, examined policy towards the owner occupied sector, apart from its connection with council house sales, nor the activities of housing associations. Also so far unexamined are the Housing Corporation and Scottish Homes.

Is there a case for the two Committees carrying out joint inquiries? The inquiry into council house sales could clearly appropriately have been expanded to embrace Scot-

land, and while Scotland does not have the concentrations of privately rented housing which exists in England, particularly in London, the legislation relating to the privately rented sector is broadly the same and there would not appear to be any great problem in including Scotland in the other Environment Committee inquiry.

The conduct of joint inquiries would bring a number of advantages to the Scottish Committee. First - it would allow a wider range of issues to be covered by the Scottish Committee without increasing the load on members, particularly significant for the Conservatives. This consideration would not only apply to investigating housing policy but also contribute, albeit marginally, to addressing the wider problem of coping with the broad range of issues covered by the Scottish Office. Second - by diluting the Scottish membership it might increase the possibility of consensus and enable the Scottish Committee to investigate what might otherwise be viewed as 'no go' areas. It is difficult, for example, to perceive of the Scottish Committee tackling the question of council house sales. Third - it would create the opportunity to compare and contrast policies being pursued by the DoE and the Scottish Office. The question of the resistance of the SDD to a national house condition survey - an issue which arose during the dampness inquiry - is a good example. Fourth - it might allow the selection of Scottish representatives who had a specialist knowledge in the field, and by widening their horizons, give them the opportunity to import knowledge and

experience into Scottish inquiries. Fifth - it would enable the Scottish Committee to utilise the larger resources available to the Environment Committee.

What benefits if any might accrue to the Environment Committee from such a development? Bruce and Evans have pointed to the relatively few reports produced by the Environment Committee in the period to October 1982, to the higher turnover of its membership, and the low attendance at meetings, and suggested that "this indicates that it has fallen into the trap of going for long 'Royal Commission' type inquiries. The reports on Council House Sales, and the Private Rented Housing Sector [illustrating] this tendency - - - the Committee has become so bogged down in long inquiries that it has lost its momentum and political sex appeal".[11] This phenomenon may also help to explain why the Environment Committee has not carried out a further housing related inquiry in the last ten years. [Although one suspects that other experiences - the contrived consensus on council house sales and, for Labour members, the Party's subsequent volte face on the issue; and the perception that until the question of subsidies is resolved some areas of housing policy are unlikely to make much progress - may also have acted as a deterrent.] If joint inquiries were adopted on occasion, this might allow a two track approach with more time consuming inquiries being conducted by both Committees in parallel with shorter inquiries on other topics.

Of course, there might well be resistance to the establishment of joint inquiries. The idea would be unattractive to Scottish Office ministers and officials, not only because of the potential for increasing the effectiveness of the inquiries in general, but in particular, because of the scope mentioned earlier, which it would give Scottish members to compare Scottish and English policies and practices. At the same time, the possibility of English members questioning differences between policies and practices, and as has been seen, a tendency to do so was very evident during the Expenditure Committee's inquiry into housing improvement policy, would be no more welcome - not only to the Scottish Office, but also to the DoE. Indeed, this latter eventuality, to the extent that it threatened distinct Scottish policies and legislation, could well be unattractive to the generality of Scottish MPs.

Scottish Committee members might be unhappy about inquiries being moved outwith the Scottish political system with a possible reduction in visibility of activity. As mentioned earlier the Scottish Committee, together with the Welsh, is reckoned to have a higher profile with its media than do the other select committees.

The attitude of other actors in the Scottish political system has also to be considered, particularly that of the local authorities. They are used to having easy access to decision makers and operating within the relatively small Scottish local authority community. They also appear to

attach considerable importance to the Scottish Committee. Operating within the larger British scene they might find unattractive. However, provided joint inquiries were limited to a few issues they would probably be content to go along with the arrangement.

Finally, prevailing political circumstances are likely to have a major impact on attitudes. To the extent that joint inquiries might take pressure off Conservative backbenchers it is likely to reduce Labour support for the proposal. At the same time the present Conservative Government will doubtless be anxious to demonstrate that it can continue to operate distinct Scottish parliamentary mechanisms.

Even with the untilisation of joint inquiries there would of course be a continuing need for specifically Scottish inquiries. Housing capital allocation is an example, where the inquiry was dealing with distinctive Scottish machinery and policies being pursued by the Scottish Office. The absorbtion of the Housing Corporation in Scotland into the recently created Scottish Homes also removes any potential there might have been for joint inquiries in that area of activity.

NOTES AND REFERENCES - CONCLUSIONS

1. John Boyd-Carpenter.

2. Sharp, E., The Ministry of Housing & Local Government op. cit., p.95.

3. Duclaud-Williams, R.H., The Politics of Housing in Britain & France. op. cit.

4. The national house condition survey disclosed that there were 1,800,00 unfit houses in England & Wales - the previous estimate had been 800,000.

5. Scottish Development Department, Scotland's Older Houses, op. cit. p.9.

6. Dalyell, T., Dick Crossman - a portrait, Weidenfeld & Nicolson, London, 1989, p.114.

7. Ibid.

8. There have of course also been developments in methods of consultation. See in this connection Silkin A., 'Green Papers and Changing Methods of Consultation in British Government' in Public Administration Vol. 51, Winter 1973.

9. HC 92 1982/83, The Select Committee System. Report by the Liaison Committee, p.21.

10. Kellas in Hill, D.M., [Ed], Parliamentary Select Committees in Action - A Symposium, op. cit., p.88.

11. Judge, D., [Ed]. The Politics of Parliamentary Reform, Op. cit., p.81.

    On this point it should be noted that the Select Committee on Procedure had "in particular expected less time to be devoted in the future to long and intensive inquiries of the 'Royal Commission' variety". [HC 588 I 1977/78 op. cit., par. 5.47.]

BIBLIOGRAPHY

Adams, I.H., *The Making of Urban Scotland*, Croom Helm, London, 1978.

Balchin, P.N., *Housing Policy: An Introduction* 2nd Ed., Routledge, London, 1989.

Barnett, J.B., *The Politics of Legislation - The Rent Act 1957*, Wiedenfeld & Hutchison, London, 1968.

Berry, F., *Housing: The Great British Failure*, Charles Knight, London, 1974.

Bowley, M., *Housing and The State 1919-44*, Allen & Unwin, London, 1945.

Chapman, R.A.,(Ed) *The Role of Commissions in Policy Making*, Allen & Unwin, London, 1973.

Craig, F.W.S.,[Ed] *British General Election Manifestos 1900-74*, Macmillan, London, 1975.

Crosland, A., *Socialism Now*, Jonathan Cape, London, 1974.

Crosland, S., *Tony Crosland*, Jonathan Cape, London, 1982.

Crossman, R., *The Diaries of a Cabinet Minister Vols. I, II, III* Hamish Hamilton & Jonathan Cape, London, 1975.

Cullingworth, J.B., *Essays on Housing Policy - The British Scene*, Allen & Unwin, London, 1979.

Department of the Environment *Report of the Committee on the Rent Acts*, Cmnd. 4609, H.M.S.O., London, 1971.

-do- *Better Homes - The Next Priorities* Cmnd. 5339, H.M.S.O., London, 1973.

-do- [with the Scottish Office and Welsh Office], *Housing Improvement Grants: Government's Observations on the Tenth Report from the Expenditure Committee*, Cmnd. 5529, H.M.S.O., London, 1974.

-do- [with the Welsh Office], *Housing Policy - A Consultative Document*, Cmnd. 6851, H.M.S.O., London, 1977.

-do- Government's Reply to Report by Environment Committee on Council House Sales, Cmnd. 8377, H.M.S.O., 1981.

-do- [with the Welsh Office], Home Improvement - A New Approach, Cmnd. 9513, H.M.S.O, London, 1985.

-do- [with the Welsh Office], Housing: the Government's Proposals, CM. 214, H.M.S.O., London, 1989.

-do- [with the Welsh Office], Housing Associations - A Working Paper of the Central Housing Advisory Committee, H.M.S.O., London, 1971.

Department of Health for Scotland, Housing Policy, Scotland, Cmnd. 8997 H.M.S.O., Edinburgh, 1953.

-do- Increase in the Cost of Maintaining Houses;Report By A Sub-committee of the Scottish Building Costs Committee, H.M.S.O., Edinburgh, 1953.

-do- Reports by Sub-committees of the Scottish Housing Advisory Committee.

1. Planning Our New Homes, H.M.S.O., Edinburgh, 1944.

2. Modernising Our Houses, H.M.S.O., Edinburgh, 1947.

Donnison, D.V. et al, Housing Since The Rent Act, interim report from the Rowntree Trust Housing Study, Occasional Papers on Social Administration, No.3, Caldicote Press, Welwyn, July 1961.

Donnison, D.V., The Government of Housing, Penguin, London, 1967.

Donnison, D., & Ungerson, C., Housing Policy, Penguin Books, Halmondsworth, Middlesex, 1982.

Donnison, D., 'Committees and Committee Men' in New Society, 18 April 1968.

Drewry, G.,[Ed], The New Select Committees: a study of the 1979 reforms, Clarendon Press, Oxford, 1985.

Drucker, H.M., & Drucker, N.L., The Scottish Government Year Book 1981.
Paul Harris, Edinburgh, 1980.

Duclaud-Williams R.H, The Politics of Housing in Great Britain and France,
Heinemann, London, 1978.

Dunleavy, P., The Politics of Mass Housing in Britain 1945-75,
Clarendon Press, Oxford, 1981.

Englefield, D.,[Ed], Commons Select Committees:Catalysts for Progress?,
Longman, Harlow, Essex, 1984.

English, J.,[Ed], The Future of Council Housing,
Croom Helm, London, 1982.

'Financial Times' 5/8/60.

Foot, M, Aneurin Bevan 1945/60,
Davis-Poynter, London, 1973.

Gillett, E., Investment in The Environment,
Aberdeen University Press, Aberdeen, 1983.

Glynn, S., & Oxborrow, J., Interwar Britain: A Social & Economic History,
Allen & Unwin, London, 1976.

Gordon, W., The Law of Housing in Scotland,
Hodge, London, 1952..

Greenwood, J., & Wilson D., Public Administration In Britain,
Allen & Unwin, London, 1984.

'The Guardian' 15/7/81, 15/10/85.

Haines, J., The Politics of Power,
Jonathan Cape, London, 1977.

Ham, C., & Hill, M., The Policy Process in the Modern Capitalist State,
Wheatsheaf Books, Brighton, Sussex, 1984.

Hill, D.M., [Ed], Parliamentary Select Committees in Action: A Symposium.
Strathclyde Papers on Government and Politics No.24,
University of Strathclyde, Glasgow, 1984.

Himsworth, C., Public Sector Housing Law in Scotland,
3rd Ed.
The Planning Exchange, Glasgow, 1989.

Hole, V., 'Social Research in Housing - A Review of Progress in Britain since World War II' in Local Government Studies, November/December 1979.

Holmans, A.E., Housing Policy in Britain: A History, Croom Helm, London, 1987.

Home Department et al Report of the Committee on Local Authority and Allied Personal Social Services, Cmnd. 3703, H.M.S.O., London, 1968.

House of Commons Debates 5th Series Volume Nos. 413, 414, 415, 418, 424, 428, 457, 487, 493, 494, 497, 498, 507, 508, 511, 516, 520, 521, 525, 546, 560, 567, 681, 695, 697, 698, 701, 708, 709, 713, 714, 741, 774, 777, 785, 791, 813, 814, 817, 820, 832, 847, 854, 868, 874, 876, 880, 884, 887, 951, 976, 969, 976 [Part 1].

6th Series Volume No. 123.

House of Commons Standing Committee Debates 1956-57 Vol.I, 1968-69 Vol.VI.

House of Commons Papers

HC40 I 1981/82 First Report from Environment Committee:The Private Rented Housing Sector.

HC40 II 1981/82 The Private Rented Housing Sector: Minutes of Evidence.

HC40 III 1981/82 The Private Rented Housing Sector: Appendices.

HC54 1982/83 The Private Rented Housing Sector: Government's Reply to Report from Environment Committee.

HC84 1991/92 Commitee of Public Accounts, 5th Report, The Condition of Scottish Housing.

HC92 1982/83 First Report from the Liaison Committee: The Select Committee System.

HC112 I 1980/81 Second Report from Committee on Scottish Affairs:Housing Capital Allocation.

HC112 1980/81 Housing Capital Allocation:Minutes of Evidence.

HC206 I 1983/84 — First Report from The Scottish Affairs Committee:Dampness in Housing.

HC206 II 1983/84 — Dampness in Housing:Minutes of Evidence & Appendices.

HC349 I 1972/73 — Tenth Report from the Expenditure Committee:House Improvement Grants.

HC349 II 1972/73 — House Improvement Grants: Minutes of Evidence.

HC366 I 1980/81 — Second Report from Environment Committee:Council House Sales.

HC366 II 1980/81 — Council House Sales:Minutes of Evidence.

HC366 III 1980/81 — Council House Sales:Appendices.

HC383 1980/81 — Third Report from Environment Committee, Department of Environment's housing policies: enquiry into the Government's expenditure plans 1981-82 to 1983-84 & the updating of the Committee's first report 1979/80. Report with proceedings, minutes of evidence & appendices.

HC419 1983/84 — Dampness in Housing:Government's Reply to Committee on Scottish Affairs.

HC485 1990/91 — Report by the Comptroller and Auditor General.

HC578 I 1979/80 — First Report from Environment Committee:Enquiry into the implications of Government's expenditure plans 1980-81 to 1983-84 for the housing policies of the Department of the Environment.

HC588 I 1977/78 — First Report from The Select Committee on Procedure.

House of Lords Debates, — 5th Series Vols. 179, 356, 412.

Judge, D., [Ed], — The Politics of Parliamentary Reform, Heinemann, London, 1983.

Keating, M., & Midwinter, A., — The Government of Scotland, Mainstream, Edinburgh, 1983.

Kellas, J.G., — The Scottish Political System, 2nd Ed. Cambridge University Press, Cambridge, 1975.

Kogan, M., [Ed], Edward Boyle and Anthony Crosland in conversation with Michael Kogan, The Politics of Education, Penguin Books, Harmondsworth, Middlesex, 1971.

Labour Party, A Welcome Home - Labour's New Strategy For Housing, The Labour Party, London, 1991.

Labour Party, Its Time To Get Britain Working Again: Labour's Election Manifesto 1992, The Labour Party, London, 1992.

Labour Party, The New Hope For Britain, The Labour Party, London, 1983.

Lambert, J., et al Housing Policy & The State, Macmillan, London, 1978.

Lansley, S., Housing & Public Policy, Croom Helm, London, 1979.

Madgwick, P.J.M., & Rose, R., [Eds], The Territorial Dimension of British Politics, Macmillan, London, 1982.

Malpass, P., & Murie, P., Housing Policy & Practice, The Macmillan Press, London, 1982.

Merret, S., State Housing in Britain, Routledge & Keegan Paul, 1979.

Ministry of Health Report of the Inter-Departmental Committee on the Rent Restrictions Acts, Cmnd. 3911, H.M.S.O., London, 1931.

-do- Report of the Inter-Departmental Committee on the Rent Restrictions Acts, Cmnd. 5621, H.M.S.O., London, 1937.

-do- Report of the Inter-Departmental Committee on Rent Control, Cmnd. 6621, H.M.S.O., London, 1945.

-do- Design of Dwellings, Report by Sub-committee of the Central Housing Advisory Committee, H.M.S.O., London, 1944.

Ministry of Housing & Local Government, Houses:the Next Step, Cmnd. 8996 H.M.S.O., London, 1953.

-do- Report of the Committee of Inquiry on the Cost of House Maintenance, H.M.S.O., London, 1953.

-do- Report for the Year 1955, H.M.S.O., London, 1956.

-do- [with the Scottish Office], Rent Control - Statistical Information, Cmnd. 17, H.M.S.O., 1956.

-do- Report of the Committee on Housing in Greater London, Cmnd. 2605, H.M.S.O., London, 1965.

-do- Rents and Security of Tenure. The Rent Bill. Cmnd. 2622, H.M.S.O., London, 1965.

-do- The Housing Programme 1965 - 70, Cmnd. 2838, H.M.S.O., London, 1965.

-do- Old Houses into New Homes, Cmnd. 3602, H.M.S.O., London, 1968.

-do- Reports by Sub-committees of the Central Housing Advisory Committee.

1. Homes for Today and Tomorrow, H.M.S.O., London, 1961.

2. Our Older Homes:A Call for Action, H.M.S.O., London, 1966.

3. [with the Welsh Office], Council Housing:Purposes, Procedures and Priorities, H.M.S.O., London, 1969.

Morris, A., The Growth of Parliamentary Scrutiny By Committee, Pergamon Press, Oxford, 1971.

National Federation of Housing Assocns. Enquiry Into British Housing, NFHA, London, 1985.

National Home Improvement Council, The Take Up of Private Sector Improvement Grants, National Home Improvement Council, London, 1979.

Needleman, L., 'The Comparative Economics of Improvement and New Building', in Urban Studies, Vol.6, 1969.

Nevitt, D.A., Housing Taxation and Subsidies; a Study of Housing in the United Kingdom, Nelson, London, 1966.

Rhodes, G., Committees of Inquiry, Allen & Unwin, London, 1975.

Royal Commission on Housing in Scotland — Report on the Housing of the Industrial Population of Scotland Rural & Urban, Cd. 8731, H.M.S.O., Edinburgh 1917.

Royal Institution of Chartered Surveyors, — A Memorandum on Rent Restrictions and the Repair Problem, RICS, London, 1951.

'The Scotsman' — 5/10/83, 23/2/84, 26/3/84, 15/5/84, 26/6/92.

Scottish Development Department — The Older Houses in Scotland - A Plan for Action, Cmnd. 3598, H.M.S.O., Edinburgh 1968.

-do- — Towards Better Homes:Proposals for Dealing with Scotland's Older Housing, H.M.S.O., Edinburgh, 1973.

-do- — Scottish Housing - A Consultative Document, Cmnd. 6852, H.M.S.O., Edinburgh, 1977.

-do- — Home Improvement in Scotland - A New Approach, Cmnd. 9677, H.M.S.O., Edinburgh, 1985.

-do- — Housing:The Government's Proposals for Scotland, CM. 242, H.M.S.O., Edinburgh, 1987.

-do- — Planning for Housing Needs:pointers towards a comprehensive approach, A Report by a Working Party of the Scottish Housing Advisory Committee, H.M.S.O., Edinburgh, 1972.

-do- — Reports by Sub-committees of the Scottish Housing Advisory Committee.

1. Scotland's Older Houses, H.M.S.O., Edinburgh, 1967.

2. Allocating Council Houses, H.M.S.O., Edinburgh, 1967.

3. Housing Management in Scotland, H.M.S.O., Edinburgh, 1967.

4. Council House Communities:Policy for Progress, H.M.S.O., Edinburgh, 1970.

5. Training for Tomorrow, An Action Plan for Scottish Housing, H.M.S.O., Edinburgh, 1977.

6. Allocation and Transfer of Council Houses, H.M.S.O., Edinburgh 1980.

Sharp, E., The Ministry of Housing & Local Government, Allen & Unwin, London, 1969.

Silkin, A., 'Green Papers and Changing Methods of Consultation in British Government' in Public Administration Vol.51, Winter 1973.

Sked, A., & Cook, C., Post-war Britain - A Political History Penguin, Harmondsworth, Middlesex, 1979.

Smith, Mary, E.H. Guide to Housing, 2nd Ed. The Housing Centre Trust, London, 1977.

Smout, T.C., A Century of the Scottish People: 1830 - 1950, Collins, London, 1986.

Stewart, J., Local Government:The Conditions of Local Choice, Allen & Unwin, London, 1983.

Swenarton, M., Homes Fit For Heroes, Heinemann, London, 1981.

'The Times' 3/3/71, 12/17/20/22 Sept & 1 Oct 1969.

Wheare, K.C., Government by Committee, Oxford University Press, London, 1955.

Young, K., Kramer, J., Strategy and Conflict in Metropolitan Housing, Heinemann, London, 1978.

GLASGOW UNIVERSITY LIBRARY