

Briefing Note

HOUSING ACT COMES INTO FORCE

No. 39

30.10.80

Housing 2
PRIME
MINISTER

MS

30/10

The Housing Act 1980 received its Royal Assent on 8th August 1980. Many provisions including the Right to Buy and Tenants Charter for public sector tenants and a new housing subsidy system came into force on 3rd October 1980. The Government hopes to bring most of the provisions into effect by the end of November 1980.

On 3rd October 1980 nearly six million tenants were given the right to buy their own homes at discounts from market value of between 33 and 50 per cent. Mr. John Stanley, Minister of Housing, described this as "as significant and worthwhile a social reform as any that has been achieved in this century, and it has become the law of the land through the efforts of no other party but our own." (Party Conference, Brighton 10th October 1980).

Enthusiasm for Right to Buy

Mr. Stanley announced that "the number of council tenants who have bought their homes in the last year is 75,000 and that is the highest figure ever recorded in one year" (Brighton, 10th October 1980). Enthusiasm continues to grow. In Sheffield, the Conservative Association office had over 3,000 callers or visitors in the first week. At Doncaster there was a queue of 70 people at the Conservative office wishing to fill in application forms on the first night and the council office handed over 1,500 forms in the first two days. By 16th October, Barnsley council had run out of Right to Buy forms and were ordering new supplies. Conservatives all over the country are setting up advice centres for council tenants. A number of Conservative associations have organised teach-ins, set up a telephone advice bureau and a mobile advice centre and are holding evening surgeries to help tenants to fill in the forms.

Labour's attitude

Both at Parliamentary level and local level the Labour Party's attitude has been one of opposition and obstruction. During the second reading debate on the Housing Bill, Mr. Roy Hattersley, Labour's spokesman on the Environment confirmed that a Labour Government would withdraw the right to buy. At the Labour Party Conference in Blackpool, against the advice of the National Executive Committee, a motion was passed committing a future Labour government "to introduce legislation giving local authorities the right where houses have been sold against their wishes to have the first option to buy back those houses when they are subsequently offered for resale - at a price which in real terms involves no financial loss to the authority." i.e. at below market price. One Labour MP, Mr. John Golding, commented that this "isn't on and it isn't fair ... It would provide many people with an incentive to vote Tory." (Daily Star, 25 October 1980) John Stanley's words "Vote Labour and we will rob you of the price of your council house." (Brighton 10th October 1980).

At a local level the law is being fought by many Labour councils with obstruction or downright defiance. Measures to obstruct sales to be put to the Sheffield council in November included:

- giving priority for council (improvement) grants to buyers in the private market (i.e. over those trying to buy their own council homes).
- asking tenants who apply for modernisation and improvement grants and those on waiting and transfer lists if they will try and buy their own council houses - implying a threat of discrimination.
- warning buyers they will face eviction if they fall behind with

mortgage payments and banning buyers from the housing department's old age pensioner bungalows waiting list if they wish to sell their houses to provide capital for their retirement years.

In the meantime Sheffield are issuing Right to Buy forms with a letter pointing out to council tenants why they should not buy council houses!

In Labour controlled N.E. Derbyshire (which includes Clay Cross) the council has announced that any of their 12,000 tenants who want to buy their own homes will not have them repaired in the meantime. A letter sent to council tenants demanded that unless a tenant surrendered his right to buy, he would be refused repairs, central heating and transfers to other council houses. But on 28th October, the Prime Minister reassured tenants "people cannot sign away their statutory right to purchase their council house." (Hansard, 28 October, col. 198) and Mr. Heseltine said "tenants can take their landlord to court if he does not carry out his obligations". At the party conference Mr. Stanley had this to say "If a Labour council deliberately tries to deny tenants the legal right to buy, we have powers to intervene, and if it becomes necessary to use those powers, use them we shall." (10 Oct. 8

Other provisions of the Housing Act.

Other provisions of the Act include:

- 1) A Tenants Charter for council tenants. Apart from the right to buy, tenants now have the right to security of tenure for the tenant and a successor, the right to take in lodgers and sublet, the right to improve the internal and external parts of the dwelling, the right to information about tenancy rights and the allocation, transfer and exchange rules of the council. Landlords have a duty to consult their tenants on matters affecting their tenancies.
- 2) Measures to revive the privately rented sector. The Act introduces shorthold tenancies - short fixed term lettings at fair rents, and other measures including easing of the law relating to lettings by resident landlords. Mr. Stanley stated at the Party conference, "We will continue to look for ways of stimulating private renting further."

Mr. Heseltine's announcement on capital expenditure

On 23rd October 1980, Mr. Heseltine announced action to correct a threatened overspend on local authorities housing investment programmes (HIP) 1980/81. Latest returns from local authorities show that they could overspend their HIP allocations by up to £180 m. For that reason Mr. Heseltine asked local authorities not to enter into any further contracts for capital expenditure on housing until further notice. He also asked local authorities to provide by Friday 31st October an up to date assessment of their cash outturns 1980/81 upon which to base further decisions. Speaking in answer to a private notice question on 27th October 1980 Mr. Heseltine explained that his action was "to prevent an overspend on an announced budget. It is not a reduction in the existing programme." (Hansard, 27 October 1980, col28) He reminded Mr. Kaufman, Labour's spokesman on housing that "the former Chancellor of the Exchequer (Mr. Healey) found it necessary in 1976 to take similar action." (Hansard, 27 October 1980, col.31). In fact not only was the action taken by the Labour Government on 22nd July 1976 similar, it was accompanied by a reduction in the housing capital budget for 1977-78 of £146 million.

Correction Briefing Note no.38 (23.10.80) In the second last line above the footnote the word 'public' should read 'private'.
