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D/R with DoE letter

MR TURNBULL

20 July 1984

DERELICT LAND AND URBAN HOUSING

The DoE's responses concerning land registers and the further action they are planning represent substantial progress.

The DoE does need to set a timetable for disposing of target amounts of land, and to make sure that the people in the Land Division in the DoE are constantly seeking further disposals, are well-motivated and, if necessary, using the Secretary of State's powers.

The answer to the question on renovation of tower blocks is deeply disappointing. As the DoE admit, the effects of VAT on renovations will be reflected in the price that builders have to pay for the type of property: in this case, it will not deter the renovator or developer. It is no good the Department devoting endless energy and resources to writing essays on the inner urban problem and getting into a stew about the forthcoming crisis in city government, if they are not prepared to devote some energy, time and manpower to sorting out one of the root causes of the problem - the lousy housing conditions. And these problems can be sorted out by encouraging the marketplace to work.

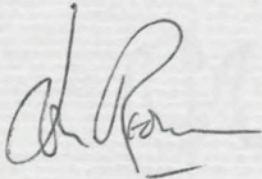
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E. R.

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The answer to the question about an action line seems to be yes, in a roundabout way.

The DoE now tell us they do have adequate powers to enforce disposal of empty houses. They should use them as they know where the empty houses are concentrated. This is a point which could be picked up in the autumn when they report back on the general question. The DoE are right to draw attention to the large stock of empty housing held by other Departments, and this too should be a matter for Ministerial concern and action.



JOHN REDWOOD

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CC 100

B/F with the  
response, if any

2 MARSHAM STREET  
LONDON SW1P 3EB  
01-212 3434

AT 2017

My ref:

Your ref:

19 July 1984

Dear Andrew

DERELICT LAND AND URBAN HOUSING

with AT

My Secretary of State has seen your letter of 3 July and the note on suggestions for speeding up sales of derelict and surplus land and unoccupied housing. He had already asked the Department to provide a progress report on these topics and I will let you have a copy when it is complete. I hope that this will be found helpful in explaining the major initiatives that the Government has already taken in this field and in answering some of the points raised in your note. Meanwhile I enclose a separate note responding to the specific suggestions which have been made.

My Secretary of State certainly intends to keep up the pressure on local authorities and other public bodies to release unused land in their ownership and his recent announcement that he is expressing his powers to direct the sale of such land shows that the Government is prepared to take forceful action. Mr Jenkin feels, however, that the Government can take some credit for the major initiatives that have been taken over the past five years and which have yielded substantial results. He will be taking the opportunity to publicise what has been achieved as well as making it clear that the Government intends to maintain this campaign.

As you know, the Prime Minister has asked Mr Macfarlane to report to her on these and related topics following his talk with the Financial Secretary.

*Yours sincerely*  
*John Ballard*  
J F BALLARD  
Private Secretary

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Andrew Turnbull Esq

118 JUL 1984



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DERELICT LAND URBAN HOUSING

DOE Comments on paper dated 3 July 1984

1. Could housebuilders and developers be given an encouragement to hunt through the registers and identify that land which their members want to build on, but which is not being made available? The Secretary of State could then use his powers to encourage more enforced disposal.

Land Registers

(a) DOE Ministers have frequently urged housebuilders and developers to make full use of the Registers. Since April 1982 DOE's Regional Offices have organised about 120 meetings between local authorities and representatives of the House Builders Federation to discuss the scope for housebuilding, chiefly for low cost home ownership, on Land Register sites.

(b) Further action now in hand includes

(i) invoking the Secretary of State's powers to direct the sale of specific sites which will stimulate new interest in the Land Register system among developers - see Press Notice attached.

(ii) improving accessibility to the Registers by computerising details of all registered sites and providing access to this computerised record in all DOE Regional offices - target date October 1984.

(iii) publishing a consolidated "catalogue" of all registered sites - probably in association with a commercial publisher and at no cost to the Department: we are aiming for publication in the autumn.

2. Could the DOE arrange a timetable of auctions for land on the registers, if local authorities fail to sell within a reasonable time period? the auctions would have to be so arranged that a local land market is not swamped by making

an unduly large amount available. We should not worry if some of the land is auctioned off at a very low price, as long as it is going to be used.

The powers of direction to sell have been mobilised - see Press Notice enclosed. The powers can only be used in relation to individual sites but can specify the method of disposal: tender may be more effective than auction. The point is well taken about the dangers of swamping the local land market and injuring private property interests. Once the powers have been tested in the first round now underway, it will be possible to assess the scope for more extensive use of them.

3. Would it help if the DOE set out in a clear simple circular to the local authorities guidance on how to encourage land sales?

The Department's efforts have concentrated on direct talks with individual local authorities - see para 1 above. These talks deal not only with general issues but also tackle problems impeding the sale of specific sites. This is probably more useful than a generalised circular. DOE Ministers have urged local authorities on many occasions to realise the value of these neglected or underused assets, and the amount of registered land already sold or on offer for sale shows that much land is on the move. The new circular on land for housing, published earlier this month, emphasised the need to make full use of urban land, including Land Register sites - copy enclosed.

4. Would it help if more publicity were given both to the successes of renovation of tower blocks and other run-down inner city housing, and to the obstruction of some local authorities who stand in the way of dealing with the problem? For example, the Barratts redevelopment of Minster Court in Liverpool, and the Cantril Farm estate in Knowsley, are successes which could be better advertised; while the refusal of Glasgow to allow Barratts to take on three large tower blocks which are standing empty could be made more of.

The imposition of VAT on this type of work in the last budget has been a severe set-back to progress on this front - just when builders were beginning to show real interest in following the lead set by Barratts and a few other pioneers. It is no good urging the scope for more work of this kind until the immediate impact of the VAT imposition has receded. In the longer term the effect of VAT should be reflected in the price that builders have to pay for this type of property; meanwhile the Department has been prepared to make some compensating adjustment to Urban Development Grants approved for schemes to which builders were already committed.

5. Would it help if the DOE set up an action line to a senior official, so that any commercial developer who felt that public bodies had rejected an offer for property without good reason, could get a fair hearing and have his complaint pursued vigorously? This would also help the DOE obtain information on the nature of the wasteland problem, and on when and where to use their powers.

DOE Regional offices are able to put enquirers in touch directly with senior staff handling Land Registers, DLG and UDG. Regional Directors have been asked (at their meeting on 11 July) to consider ways of concentrating this work in one section - where that is not already the case.

6. Could the DOE draw more attention to the scandal of unused houses? And could it consider taking powers to back up its exhortation to enforce sale of empty house property?

(a) Ministers frequently stress this theme and have urged local authorities to reduce the number of empty houses in their ownership - see, for example, the Secretary of State's address to the Institute of Housing's annual conference at Harrogate in June, copy enclosed.

(b) The Government has taken powers in the 1980 Housing Act to promote the disposal of local authority empty dwellings. These include sales at discount, and improvement for sale scheme, mortgage guarantees, and homesteading. Powers exist, under the Local Government Planning and Land Act 1980, under which Ministers could enforce the disposal of unused houses and blocks of flats if it became desirable to do so.

(c) The Government has also changed the subsidy system to penalise local authorities which keep more than 2% of the stock vacant (rates up to 2% are acceptable for management purposes). The Department's report "Reducing the Number of Empty Dwellings" provides comprehensive guidance on the practical steps to be taken to bring empty properties back into letting or to make them available for sale. A copy has been sent to all authorities.

(d) Between April 1979 and December 1983, 17,420 vacant dwellings were sold by local authorities, and according to local authorities' returns in 1983 6,100 empty dwellings were programmed for sale. Many will have been relet. The total stock of empty houses, however, remains unacceptably high and pressure will be increased on local authorities and public landlords to tackle this problem more effectively.

(e) Although 250 of the 367 English housing authorities have vacancy rates at or below 2% Ministers remain dissatisfied with a minority which have unacceptable high levels of empty dwellings. They have therefore mounted a rapid and intensive exercise to examine in depth the problems of the 30 worst affected authorities (concentrated largely in the metropolitan areas). Discussions with the authorities are underway with the aim of producing a report and recommendations for further action in the early autumn. The report will be considering the scope for private sector intervention to reduce the number of empty dwellings owned by local authorities, and the extent to which compulsory disposal of such property might be justified.

(f) Ministers here are corresponding with colleagues in other Departments about empty housing held by their Departments. The overall vacancy rate of over 6% compared badly with the 2.3% in local authorities and represents an Achilles heel in our efforts to increase pressure on the latter. Ministers are increasing pressure on those Departments.



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file



ase  
6e: Mr. Redwood

10 DOWNING STREET

*From the Private Secretary*

3 July 1984

DERELICT LAND AND URBAN HOUSING

The Prime Minister is concerned to speed up sales of derelict and surplus land and unoccupied housing held by local authorities. She would be grateful for comments on the suggestions set out in the attached note.

I am copying this letter and enclosure to John Gieve (Chief Secretary's Office, HM Treasury).

Andrew Turnbull

John Ballard, Esq.,  
Department of the Environment.

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*Policy Unit draft*

3 July 1984

DERELICT LAND AND URBAN HOUSING

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2. Could the DoE arrange a timetable of auctions for land on the registers, if local authorities fail to sell within a reasonable time period? The auctions would have to be so arranged that a local land market is not swamped by making an unduly large amount available. We should not worry if some of the land is auctioned off at a very low price, as long as it is going to be used.
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of some local authorities who stand in the way of dealing with the problem? For example, the Barratts redevelopment of Minster Court in Liverpool, and the Cantril Farm estate in Knowsley, are successes which could be better advertised; while the refusal of Glasgow to allow Barratts to take on three large tower blocks which are standing empty could be made more of.

5. Would it help if the DoE set up an action line to a senior official, so that any commercial developer who felt that public bodies had rejected an offer for property without good reason, could get a fair hearing and have his complaint pursued vigorously? This would also help the DoE obtain information on the nature of the wasteland problem, and on when and where to use their powers.

These principles could also be extended to the auction of empty houses. A large number of inner city councils hold a large number of empty houses, allegedly for redevelopment. In practice the houses stay tinned-up for years, whilst many people in the locality are without access to the kind of housing they want and can afford. Could the DoE draw more attention to the scandal of unused houses? And could it consider taking powers to back up its exhortation to enforce sale of empty house property? Where the property is in a very bad state of repair and unlikely to be used by the

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public sector, it would be desirable to sell it in auction to a private sector developer, or at a low price to somebody in need of a house who is prepared to do it up.

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THE RT HON PATRICK JENKIN MP

SECRETARY OF STATE FOR THE ENVIRONMENT

SPEECH

FOR

INSTITUTE OF HOUSING CONFERENCE

ON

FRIDAY 29 JUNE 1984

## INTRODUCTION

I DO NOT OFTEN FIND MYSELF THE GUEST OF ONE OF MY OWN CIVIL SERVANTS, BUT I AM DELIGHTED TO BE HERE WITH YOU, MADAM PRESIDENT, AT ONE OF THE HIGHLIGHTS OF YOUR LONG CAREER IN HOUSING.

ON THIS, YOUR LAST DAY AS PRESIDENT OF THE INSTITUTE OF HOUSING, I WOULD LIKE TO EXPRESS MY PERSONAL ADMIRATION FOR THE SPLENDID WAY IN WHICH YOU HAVE CARRIED OUT YOUR PRESIDENTIAL DUTIES. YET THIS HAS NOT BEEN AT THE EXPENSE OF YOUR OFFICIAL ROLE AS MY PROFESSIONAL HOUSING ADVISER, PROVIDING AN IMPORTANT LINK BETWEEN MY DEPARTMENT AND HOUSING AUTHORITIES. BOTH MINISTERS AND OFFICIALS RELY GREATLY ON YOUR ADVICE AND EXPERIENCE. I KNOW TOO THAT THE DISCUSSIONS WHICH YOUR UNIT IN MY DEPARTMENT HOLD WITH HOUSING AUTHORITIES ARE EQUALLY VALUED BY THEM.

I AM DOUBLY GLAD TO BE ABLE TODAY TO CONGRATULATE YOU ON THE NEWS THAT THE QUEEN WAS PLEASED AT A COUNCIL HELD ON 25 JUNE TO APPROVE THE GRANT OF A CHARTER FOR YOUR INSTITUTE. THIS IS A FITTING TRIBUTE TO THE WORK OF THE INSTITUTE IN ENHANCING THE QUALITY OF HOUSING MANAGEMENT AND IN PROMOTING A THOROUGHGOING PROFESSIONAL APPROACH. WITH MY SINCERE CONGRATULATIONS MAY I COUPLE THE THOUGHT THAT THE GRANT OF THIS HONOUR IS A CHALLENGE TO LIVE UP TO? YOU DESERVE THE HONOUR, I HOPE YOU WILL ACCEPT THE CHALLENGE.

IMPORTANCE OF PUBLIC SECTOR STOCK

ALMOST EVERYONE HERE IS DIRECTLY INVOLVED AS AN ELECTED MEMBER OR AS AN OFFICIAL IN THE PUBLIC HOUSING SERVICE, THE STANDARDS AND PRACTICES WHICH YOU ADOPT AFFECT THE HAPPINESS AND THE LIVES OF MILLIONS OF INDIVIDUAL TENANTS AND THEIR FAMILIES.

THAT ALONE IS AN ENORMOUS RESPONSIBILITY, BUT YOU ARE ALSO ACTING AS TRUSTEES FOR A LARGE PROPORTION OF THIS NATION'S WEALTH AND YOU WILL CONTINUE TO DO SO IN THE YEARS AHEAD.

IN THE ENGLISH LOCAL AUTHORITIES YOU ARE MANAGING STOCK OF PROPERTIES WORTH ABOUT £80 BILLION. YOU RECEIVE IN GROSS RENT SOME £3.3 BILLION A YEAR, A RETURN OF SOME 4% ON THE VALUE OF THE STOCK. ON THE OTHER SIDE OF THE ACCOUNT YOU SPEND OVER £2 BILLION ON SUPERVISION AND MANAGEMENT AND ON REPAIR AND MAINTENANCE.

THESE ARE ENORMOUS AMOUNTS BOTH GLOBALLY AND WHEN BROKEN DOWN TO THE LOCAL LEVEL. PUBLIC HOUSING IS PROVIDED TO MEET A SOCIAL NEED BUT IT IS A VERY LARGE ASSET WHICH MUST BE MANAGED EFFICIENTLY AND ECONOMICALLY.

I DO NOT BELIEVE IT WAS EVER CONSCIOUSLY PLANNED THAT LOCAL AUTHORITIES SHOULD BECOME THE GIGANTIC LANDLORDS THAT THEY ARE TODAY. IMMEDIATELY AFTER THE SECOND WORLD WAR THE AVERAGE LOCAL AUTHORITY MANAGED 1,400 DWELLINGS. NOW THE AVERAGE SIZE IS SOME 10 TIMES THAT NUMBER, AND IN MANY CASES MUCH MORE. EVEN FOR THE AVERAGE SIZED HOUSING AUTHORITY IT IS A MASSIVE RESPONSIBILITY.

I CAN IMAGINE SOME PEOPLE SAYING "YES - THIS IS VERY TRUE. PUBLIC SECTOR HOUSING IS OF TREMENDOUS IMPORTANCE. BUT WHAT OF THE FUTURE? ISN'T THE SALE OF COUNCIL HOUSES DESTROYING OUR TRUE ROLE BY REDUCING PUBLIC SECTOR HOUSING TO THE MARGIN?"

I BELIEVE THIS IS MISCONCEIVED.



OF COURSE I UNDERSTAND WHY HOUSING COMMITTEES AND HOUSING MANAGERS FEEL A TWINGE OF REGRET WHEN HOUSES POPULAR FOR LETTING ARE SOLD; EVEN IF IN COLD FACT MOST OF THOSE HOUSES WOULD NOT HAVE BEEN AVAILABLE FOR LETTING FOR MANY YEARS. THOSE WHO OWN AND MANAGE GREAT ESTATES OF LAND IN VERY DIFFERENT CONTEXTS FROM THAT OF COUNCIL HOUSING - THINK OF THE MEDIEVAL MONKS FOR EXAMPLE - ARE NOT USUALLY SEEN TO CHEER WHEN THEIR EMPIRES BEGIN TO DISSOLVE. OF COURSE THEY BELIEVE SINCERELY THAT THEY HAVE THE WELFARE OF THE TENANTS AT HEART.

BUT I WOULD ASK YOU TO SEE THE SALE OF COUNCIL HOUSES IN PERSPECTIVE. THE ENGLISH LOCAL AUTHORITY AND NEW TOWN STOCK CONSISTS CURRENTLY OF ABOUT 4.7 MILLION PROPERTIES. SALES WOULD NEED TO BE MORE THAN DOUBLE THEIR TOTAL TO DATE IF THE STOCK WAS TO DROP BELOW 4 MILLION. WHILE WE EXPECT THEM TO CONTINUE STRONGLY THERE IS NO PRESENT PROSPECT OF THIS HAPPENING.

IT IS YOUR TASK AND YOUR CHALLENGE TO MANAGE THIS VAST STOCK IN A WAY WHICH GIVES THE CUSTOMERS OF YOUR SERVICE REAL AND TANGIBLE SATISFACTION. IF ONE REASON WHY TENANTS WANT TO BUY IS THAT THEY FEEL THEY ARE 'SECOND CLASS CITIZENS' THEN PART OF YOUR JOB IS TO GIVE SUCH GOOD SERVICE THAT THAT FEELING IS NO LONGER RELEVANT.

## PRIORITY ESTATES PROJECT

SO I START FROM THE ASSUMPTION THAT, AS FAR AHEAD AS ONE CAN SEE, WE WILL HAVE AN ENORMOUS PUBLIC SECTOR TO MANAGE. OUR JOB - AND I INCLUDE MYSELF AS A PUBLIC SERVANT - IS TO MANAGE IT PROPERLY.

EVERY ONE OF YOU HAS A VITAL ROLE TO PLAY WHETHER YOU ARE THE CHAIRMAN OR A MEMBER OF A HOUSING COMMITTEE, A HOUSING DIRECTOR OR AN ESTATE OFFICER,

YOUR INSTITUTE IS COMMITTED TO THE CONCEPT OF A COMPREHENSIVE HOUSING SERVICE. I AM SURE THAT IS ABSOLUTELY RIGHT. WE HAVE COME A LONG WAY FROM THE DAY WHEN THE HOUSING MANAGER'S JOB WAS JUST TO LET THE PROPERTY AND COLLECT THE RENT. THIS CONCEPT APPLIES WITH SPECIAL FORCE TO PROBLEM ESTATES.

YOU WILL KNOW THAT MY DEPARTMENT HAS BEEN PLAYING ITS PART IN RE-ASSESSING THE STYLE OF HOUSING MANAGEMENT THROUGH THE PRIORITY ESTATES PROJECT (PEP). WORKING IN SELECTED PROJECTS ON TOUGH RUN-DOWN ESTATES, WE HAVE BECOME UTTERLY CONVINCED ABOUT THE NEED FOR HOUSING MANAGEMENT TO BE LOCALLY BASED,

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WE CLAIM NO MONOPOLY OF THIS CONCEPT. ANNE POWER'S LATEST REPORT 'LOCAL HOUSING MANAGEMENT' DESCRIBES 20 ESTATE-BASED PROJECTS IN 19 AUTHORITIES, ALL OF WHICH HAVE ACHIEVED POSITIVE RESULTS. IAN GOW SENT COPIES WITH A PERSONAL LETTER TO THE LEADER OF EVERY HOUSING AUTHORITY IN ENGLAND. IF YOU HAVE NOT READ IT MAY I URGE YOU TO DO SO? WHEN YOU HAVE READ IT THE NEXT STEP IS TO INVITE YOUR HOUSING COMMITTEE TO CONSIDER A REPORT ON ITS IMPLICATIONS FOR YOUR SITUATION.

THE ESSENCE OF THE APPROACH IS TO MAKE MANAGEMENT LOCALLY ACCOUNTABLE TO THE PEOPLE WHO LIVE ON THE ESTATES. IT IS ABOUT DEVOLVING THE CONTROL OF THE KEY MANAGEMENT FUNCTIONS - REPAIRS, SUPERVISION OF ESTATE WORKERS, LETTINGS, RENT COLLECTION AND ARREARS CONTROL - TO THE LOCAL LEVEL AND OFFERING SERVICES THROUGH A LOCAL ESTATE OFFICE. ONLY THEN CAN THE LOCAL HOUSING MANAGER GRASP AND COPE WITH THE SMALL BUT ESSENTIAL DETAILS THAT AFFECT EACH HOME AND TENANCY. THIS LOCAL APPROACH ENABLES RESIDENTS TO BE FULLY CONSULTED AND INVOLVED.

IN HER REPORT ANNE POWER FOUND THAT LOCALLY-BASED REPAIRS TEAMS PRODUCED THE GREATEST IMPROVEMENT IN THE REPAIR SERVICE. AND LOCAL CONTROL OF LETTINGS HAD THE GREATEST IMPACT ON REDUCING THE NUMBER OF EMPTY DWELLINGS.

SOME AUTHORITIES ARGUE THAT THEY CAN NOT AFFORD ESTATE-BASED TEAMS, YET INTENSIVE LOCAL MANAGEMENT OFFERS REAL SCOPE FOR FINANCIAL SAVINGS. IN STRAIGHTFORWARD ACCOUNTING TERMS, RENT ARREARS CAN BE REDUCED, AND EMPTY DWELLINGS CAN BE TENANTED TO MAKE A DIRECT CONTRIBUTION IN RATE AND RENT INCOME. THERE ARE ALSO MAJOR SAVINGS IN REDUCING VANDALISM WHILE LOCALISED REPAIRS TEAMS HAVE BEEN SHOWN TO BE MORE PRODUCTIVE.

UNFORTUNATELY MANY COUNCILS DO NOT KNOW THE TRUE COSTS OF RUNNING AND MAINTAINING THEIR INDIVIDUAL ESTATES. THE COSTS OF VARIOUS SERVICES, ARE CALCULATED CENTRALLY FOR GLOBAL ACCOUNTING PURPOSES, WITHOUT ANY BREAKDOWN BY ESTIMATE. THIS IS AN ISSUE WHICH THE PRIORITY ESTATES PROJECT WILL BE TACKLING IN ITS NEW PHASE.

UP TO 100 AUTHORITIES HAVE SHOWN INTEREST IN LOCAL MANAGEMENT PROJECTS. BUT THERE IS STILL MUCH TO BE DONE TO DEVELOP THE MODEL. SO THE PRIORITY ESTATES PROJECT WILL BE EXTENDED FOR THREE YEARS TO 1987.

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I AM GLAD TO ANNOUNCE TODAY THAT, DURING THIS PERIOD, WE WILL BE ACTING IN PARTNERSHIP WITH THE CITIES OF BIRMINGHAM, KINGSTON-UPON-HULL AND SHEFFIELD, THE METROPOLITAN BOROUGHS OF ROCHDALE AND WIGAN AND THE LONDON BOROUGH OF TOWER HAMLETS. WE HOPE TO DECIDE ABOUT FURTHER PARTICIPATION LATER THIS YEAR. THE DEPARTMENT AND ITS CONSULTANTS WILL ALSO MAINTAIN CONTACT WITH THE NUMEROUS AUTHORITIES WHICH HAVE BEEN UNDERTAKING THEIR OWN SIMILAR INITIATIVES AND WITH OTHERS WHO ARE LOOKING FOR ADVICE AND HELP TO START NEW PROJECTS.

## INNER CITIES

THE PRIORITIES ESTATES PROJECT IS OF GREAT IMPORTANCE TO THE RENEWAL OF OUR INNER CITIES, BUT IT IS NOT ENOUGH.

THE INNER CITIES CONTAIN SOME OF THE WORST HOUSING IN OUR COUNTRY - AND WHICH IS A GREAT CHALLENGE TO MY DEPARTMENT.

IT IS EASY TO RECOGNISE THE SYMPTOMS VERY EASILY. INHUMAN AND VANDALISED SURROUNDINGS; EMPTY AND BOARDED-UP PREMISES; HIGH RENT ARREARS AND VERY POOR MANAGEMENT AND MAINTENANCE. THE HOUSING - AS I SAW IN LIVERPOOL - IS OFTEN HATED BY THOSE WHO HAVE LITTLE CHOICE BUT TO LIVE THERE.

MOREOVER, IN THE INNER CITIES THIS IS AGAINST A BACKGROUND THAT IS EQUALLY BLEAK.

THERE ARE EMPTY AND CRUMBLING FACTORIES AND WIDESPREAD DERELICTION.

THERE IS THE EXODUS OF THE ECONOMICALLY ACTIVE. THEY LEAVE BEHIND A CONCENTRATION OF THE RETIRED, UNEMPLOYED AND SOCIALLY DISADVANTAGED. THESE INCLUDE MANY ETHNIC GROUPS.

ALL THIS LEADS TO WIDESPREAD RESENTMENT. AT WORST IT PRODUCES RIOTS - AS IN 1981. IT MAY LEAD TO CONFRONTATION WITH CENTRAL GOVERNMENT IN MAJOR CITIES. IT ALSO SHOWS UP IN VANDALISM, BREAKDOWN OF THE TRADITIONAL COMMUNITY STRUCTURE AND OFTEN A TOLERATION OF A CRIMINAL WAY OF LIFE.

IN THE PAST THE TRADITIONAL ANSWER WAS "LET THE STATE COPE". BUT THE STATE HAS NOT COPED. DESPITE THE MASSIVE INFUSIONS OF PUBLIC MONEY, INNER CITY DECAY HAS CONTINUED.

I DO NOT BELIEVE THAT 100% MUNICIPALISATION IS THE ANSWER. A NEW APPROACH IS NEEDED IF WE ARE TO BREAK OUT OF THIS DEPRESSING CYCLE. AT THE HEART OF THIS GOVERNMENT'S APPROACH TO THE INNER CITY LIES THE PARTNERSHIP BETWEEN THE PUBLIC AND PRIVATE SECTORS. IT REPRESENTS A MARKED SHIFT IN THE EMPHASIS OF URBAN POLICY FROM EARLIER YEARS.

THE FINANCE, THE PERSONAL DRIVE, THE ENTREPRENEURIAL FLAIR AND THE ACCUMULATED WISDOM OF THE PRIVATE SECTOR MUST BE FULLY MOBILISED.

THE GOOD NEWS IS THAT THE PRIVATE SECTOR FINANCIAL INSTITUTIONS HAVE HAD THE COURAGE TO BACK UP THE NEW INITIATIVES.

WHAT HAS BEEN ACHIEVED AT MINISTER COURT, AND WHAT IS BEING ACHIEVED BY THE STOCKBRIDGE VILLAGE TRUST, ARE THE HARBINGERS OF THE TRANSFORMATION THAT COULD OVERTAKE ESTATES IN THE NEXT 10 YEARS.

IN STOCKBRIDGE A REMARKABLE TRANSFORMATION HAS BEEN BROUGHT ABOUT. THIS APPALLING OVERSPILL ESTATE WAS SOLD TO A PRIVATE TRUST JUST OVER A YEAR AGO. TODAY YOU SEE NEW PRIVATE HOUSES SOLD WITHOUT DIFFICULTY, MANY OF THEM TO PEOPLE WHO HAD ALREADY LIVED ON THE ESTATE. ATTITUDES ON THE ESTATE ARE CHANGING - CONFIDENCE IS RETURNING. INDEED NOW THAT TENANTS CAN SEE THE CHANGES TAKING PLACE, THEY WANT TO STAY IN THE WORST 4-STOREY MAISONETTE BLOCKS WHICH WERE DUE TO BE DEMOLISHED AND WHICH THEY WERE HITHERTO ONLY TOO HAPPY TO LEAVE.

ALL THIS HAS BEEN ACHIEVED BY A PARTNERSHIP INVOLVING KNOWSLEY METROPOLITAN BOROUGH, BARCLAYS BANK, THE ABBEY NATIONAL BUILDING SOCIETY AND BARRATTS.

ALTHOUGH CONDITIONS AND OPPORTUNITIES VARY, SIMILAR INITIATIVES CAN BE DEVELOPED FOR OTHER RUN-DOWN ESTATES.

I BELIEVE THAT THE BUILDING SOCIETIES COULD BECOME, OVER THE YEARS, A POWERFUL FORCE FOR INNER CITY HOUSING IMPROVEMENTS. THERE MUST BE SHIFTS IN THE PATTERN OF OWNERSHIP AND MANAGEMENT IF WE ARE TO GIVE DWELLERS THE IMPROVED STANDARDS THEY MUST HAVE.

BUT I WOULD EMPHASISE AGAIN - THAT IN ALMOST EVERY CASE THERE HAS BEEN SOME FORM OF PARTNERSHIP BETWEEN THE PUBLIC AND PRIVATE SECTOR.

TOGETHER WE MUST RECOGNISE THAT THE INNER CITY IS NOT SO MUCH A PROBLEM AS A GROSSLY UNDERUSED RESOURCE. THERE IS UNUSED LAND IN OUR INNER CITIES, THERE ARE UNUSED PEOPLE, THE PROBLEM IS TO UNLOCK THESE UNUSED RESOURCES AND SO BRING LIFE AND WEALTH BACK TO OUR INNER CITIES.

### EMPTY DWELLINGS AND RENT ARREARS

TWO CHARACTERISTICS OF RUNDOWN ESTATES ARE EMPTY DWELLINGS AND RENT ARREARS. HOWEVER THESE PROBLEMS APPLY ALSO TO A WIDER RANGE OF HOUSING. HOW CAN OVER 100,000 EMPTY COUNCIL PROPERTIES BE RECONCILED WITH COMPLAINTS ABOUT LACK OF RESOURCES TO DEAL WITH THE HOMELESS? WHY HAVE RENT ARREARS BEEN ALLOWED TO GROW TO £240 MILLIONS AT THE END OF LAST SEPTEMBER WHEN EVERY £ OF REVENUE SHORTFALL MUST BE MADE UP OUT OF RATES OR INCREASED RENT? THE HOUSING SERVICE IS HELD RESPONSIBLE ON BOTH COUNTS.



THERE ARE GOOD REASONS FOR SOME COUNCIL HOUSING BEING EMPTY FOR REASONS WITH WHICH WE ARE FAMILIAR. BUT EQUALLY MORE COUNCIL HOUSING IS BEING LEFT EMPTY AND FOR A LONGER PERIOD THAN OUGHT TO BE THE CASE.

THERE IS PLENTY OF ADVICE AVAILABLE. SHELTER'S REPORT 'HOMES WASTED' AND MY DEPARTMENT'S 'REDUCING THE NUMBER OF EMPTY DWELLINGS' GIVE PRACTICAL ADVICE ON BRINGING EMPTY PROPERTIES BACK INTO LETTING OR MAKING THEM AVAILABLE FOR SALE.

LAST YEAR WE INVITED LOCAL COUNCILS TO IDENTIFY THEIR DWELLINGS WHICH HAD BEEN EMPTY FOR MORE THAN ONE YEAR. THEIR BIDS TO BRING THESE LONG-TERM EMPTY DWELLINGS BACK INTO USE WERE TAKEN INTO ACCOUNT WHEN WE DECIDED HIP ALLOCATIONS FOR 1984-5.

WE HAVE NOW DECIDED, BASED ON ANALYSIS OF THIS HIP INFORMATION, TO HOLD CONSULTATIONS WITH THE 30 WORST AFFECTED LOCAL AUTHORITIES. WHAT I AM LOOKING FOR IS NOT ONLY MORE EFFECTIVE IMPLEMENTATION OF EXISTING INITIATIVE BUT, FRESH SOLUTIONS. I AM NOT PREPARED TO ACCEPT THAT IT IS JUST A MATTER OF RESOURCES.

LOCAL AUTHORITIES ACTUALLY HAVE MORE OPTIONS THAN THEY SOMETIMES SUPPOSE. MORE AND MORE COUNCILS ARE FINDING THAT THE BEST WAY OF BRINGING REALLY HARD TO LET HOUSES OR FLATS BACK INTO USE IS TO NEGOTIATE A SALE OF THE WHOLE BLOCK TO THE PRIVATE SECTOR. SOME COUNCILS MAKE EXTENSIVE USE OF "HOMESTEADING", THAT IS TO SAY LETTING REALLY GROTTY HOUSES OR FLATS TO TENANTS WITH A RENT FREE PERIOD SO THAT THEY CAN DO THE WORK NEEDED TO MAKE THEM NICE PLACES TO LIVE IN. SOME COUNCILS HAVE SHOWN THAT USING MSC MONEY THROUGH THE COMMUNITY REFURBISHMENT SCHEME, WHOLE BLOCKS CAN BE MADE MUCH MORE ATTRACTIVE SO THAT VACANCIES ARE FILLED MORE EASILY. SOME COUNCILS HAVE SHOWN THAT MAKING BLOCKS OF FLATS AVAILABLE TO HOUSING COOPERATIVES HAS ALMOST AN IMMEDIATE EFFECT IN HARNESSING THE ENTHUSIASMS OF TENANTS AND THEIR FAMILIES. WHEN I RECENTLY VISITED SUCH A BLOCK IN LIVERPOOL, THE SLOGAN "WE DO IT BETTER" WAS PROUDLY EMBLAZENED ABOVE THE ESTATE OFFICE DOOR.

I SIMPLY WILL NOT ACCEPT THAT AUTHORITIES WHO FOR WHATEVER REASON REFUSE TO COUNTENANCE THESE SOLUTIONS HAVE NO OPTION BUT TO CLAMOUR FOR BIGGER AND BIGGER HIPs. IT IS NOT JUST A MATTER OF RESOURCES. IT IS A MATTER OF THE WILL TO USE EVERY INSTRUMENT AVAILABLE TO US TO MAKE WHAT CAN QUITE OFTEN BE A DRAMATIC IMPROVEMENT IN THE QUALITY OF LIFE OF FAMILIES WHO LOOK TO THE LOCAL AUTHORITY FOR THEIR HOUSING NEEDS.

RENT ARREARS ARE AN EQUALLY SERIOUS PROBLEM.

IN 1980/81 RENT ARREARS IN ENGLISH HOUSING AUTHORITIES CAME TO LESS THAN £100M. THE AUDIT COMMISSION HAS NOW ESTIMATED THE HALF YEAR TOTAL FOR SEPTEMBER 1983 AS £240M. NO-ONE CONCERNED WITH PUBLIC ACCOUNTABILITY CAN EASILY CONTEMPLATE THESE FIGURES.

AS JOHN BANHAM HAS POINTED OUT THE SUM INVOLVED

"REPRESENTS THE EQUIVALENT NEEDED TO BUILD MORE THAN 10,000 HOMES WHICH IN TURN WOULD CREATE ABOUT 20,000 JOBS IN THE BUILDING AND CONSTRUCTION INDUSTRY."

THE REPORT BY THE AUDIT COMMISSION ("BRINGING COUNCIL TENANTS' RENT ARREARS UNDER CONTROL") EMPHASISES THAT THE QUALITY OF MANAGEMENT PERFORMANCE IS THE MOST IMPORTANT FACTOR OF ALL.

I APPRECIATE THAT THE DIFFICULTIES IN RECOVERING MANY OF THE LARGER ARREARS. WHEN TENANTS OWE MORE THAN, SAY, £200, SOME TEND TO GIVE UP TRYING TO PAY OFF THE ARREARS.

THE KEY TASK OF HOUSING MANAGEMENT IS TO PREVENT THIS SITUATION ARISING IN THE FIRST PLACE.

THE AUDIT COMMISSION RECOMMENDED THE DECENTRALISATION OF HOUSING MANAGEMENT, TO WHICH I HAVE REFERRED EARLIER.

UP TO DATE FINANCIAL INFORMATION IS ALSO VITAL. TENANTS NEED TO KNOW THEIR PRECISE RENT PAYMENT POSITION AND HOUSING STAFF CANNOT RECOVER MONEY UNLESS THEY KNOW WHO OWES WHAT AMOUNTS. YET SOME INFORMATION SYSTEMS STILL FAIL TO DELIVER THIS KIND OF BASIC INFORMATION IN THE FORM AND TO THE TIMETABLE REQUIRED BY THOSE MOST CONCERNED.

HOUSING AND BUILDING CONTROL ACT 1984

GOOD HOUSING MANAGEMENT IS THE KEY NOT ONLY TO RENT ARREARS BUT TO THE IMPLEMENTATION OF THE HOUSING AND BUILDING CONTROL ACT.

TWO OF THE MAIN PROVISIONS AFFECTING HOUSING MANAGEMENT ARE THE RIGHT TO REPAIR AND THE RIGHT TO EXHCANGE.

HOUSING MANAGERS KNOW THAT LANDLORDS' REPAIRS ARE THE MOST COMMON CAUSE OF COMPLAINT BY TENANTS. THIS HAS PRODUCED A CONSENSUS IN PARLIAMENT THAT TENANTS SHOULD HAVE A RIGHT TO REPAIR. THE DEPARTMENT'S CONSULTATION LAST AUTUMN RESULTED IN MANY DIFFERING VIEWS INCLUDING A SUBSTANTIAL CONTRIBUTION FROM YOUR OWN INSTITUTE.

WE PLAN SHORTLY TO PUT OUT DRAFT REGULATIONS (AND I STRESS DRAFT) TO GIVE EFFECT TO THE RIGHT TO REPAIR. THERE WILL THEN BE FURTHER CONSULTATION BEFORE THEY ARE LAID BEFORE PARLIAMENT. I ENVISAGE A PERIOD OF NOT LESS THAN 3 MONTHS BETWEEN FINALLY MAKING THE REGULATIONS AND THE START DATE OF THE SCHEME, BUT WE SHALL BE ASKING FOR YOUR VIEWS ON THE TIME NEEDED.

THE SECURE TENANTS RIGHT TO EXCHANGE DOES NOT DEPEND ON REGULATIONS AND WILL COME INTO FORCE ON (26 AUGUST). PUBLIC SECTOR TENANTS ENJOY LESS OPPORTUNITY TO MOVE HOME THAN PEOPLE IN ANY OTHER SECTOR. THAT IS WHY WE HAVE INTRODUCED A STATUTORY RIGHT TO EXCHANGE. FROM (26 AUGUST) TENANTS WILL BE ENTITLED TO EXCHANGE AS OF RIGHT AND LANDLORDS WILL ONLY BE ABLE TO REFUSE EXCHANGES WHERE THERE IS GOOD REASON TO DO SO, ON THE GROUNDS SPECIFIED IN THE LEGISLATION.

## PUBLIC EXPENDITURE

THE INTRODUCTION OF THESE TENANTS' RIGHTS HAS COINCIDED WITH A NEW WORRY, OR, PERHAPS I SHOULD SAY, AN OLD WORRY REVIVED. I REFER TO THIS YEAR'S CAPITAL SPENDING.

THERE HAS ALREADY BEEN SPECULATION THAT CAPITAL SPENDING THIS YEAR MIGHT EXCEED THE CASH LIMIT AND THAT THE GOVERNMENT MIGHT BE CONSIDERING COUNTER-MEASURES. I WILL THEREFORE RE-ITERATE WHAT I SAID TO THE REPRESENTATIVES OF THE LOCAL AUTHORITY ASSOCIATIONS AT THE HOUSING CONSULTATIVE COUNCIL MEETING LAST WEEK.

WE HAVE ASKED AUTHORITIES TO TELL US WHAT ARE THEIR CAPITAL SPENDING INTENTIONS THIS YEAR. THE REPLIES ARE STILL COMING IN. IT IS TOO SOON TO SAY WHETHER ANY CORRECTIVE ACTION MAY BE NEEDED IN 1984-85 AND IF SO, WHAT IT MIGHT BE. WE DO NOT WANT TO TAKE ANY MORE ACTION THAN NECESSARY. I UNDERSTAND AND SHARE THE CONCERN OF LOCAL AUTHORITIES TO AVOID IF AT ALL POSSIBLE ANOTHER 'STOP/GO' CYCLE. BUT IF THERE IS A SERIOUS RISK TO THE CASH LIMIT THEN ACTION WILL HAVE TO BE TAKEN TO PROTECT IT.

WHAT THIS ISSUE DOES UNDERLINE IS THAT PUBLIC EXPENDITURE CONSTRAINTS WILL CONTINUE TO DOMINATE THE FUTURE AS IT HAS THE PAST. I WOULD PREDICT THAT THE NEXT DECADE WILL SEE NO LET UP IN THE STRUGGLE TO HOLD DOWN PUBLIC SPENDING, AS THE OIL REVENUES BEGIN TO DECLINE AND AS THE NEEDS OF THE WELFARE STATE CONTINUE TO PRESS IN ON US.

PUBLIC HOUSING HAS BORNE THE BRUNT OF EXPENDITURE CUTS UNDER GOVERNMENTS OF BOTH PARTIES AND THIS HAS MEANT THAT HOUSING PRIORITIES HAVE HAD TO BE DEFINED WITH MORE THAN USUAL CARE.

MY JUDGEMENT IS THAT THE MAIN EMPHASIS WITHIN TODAY'S TIGHTLY CONSTRAINED RESOURCES SHOULD BE ON PROVISION FOR THOSE IN SPECIAL NEED, PARTICULARLY THE ELDERLY AND THE DISABLED.

I RECOGNISE THAT THERE ARE OTHER CATEGORIES IN SPECIAL HOUSING NEED, BUT OFTEN THERE WILL BE MORE CHANCE OF MEETING THOSE NEEDS THROUGH RELETTING OF THE EXISTING STOCK.

I DO NOT HOWEVER SEE ANY CASE AT PRESENT FOR THE SORT OF LARGE SCALE BUILDING PROGRAMME FOR GENERAL NEEDS WHICH CHARACTERISED THE FIRST 3 POST-WAR DECADES. NOR DO I SEE ANY NEED FOR PROVIDING EXTRA PUBLIC SECTOR HOUSING REGARDLESS OF INDIVIDUALS' ABILITY TO FIND AND AFFORD HOUSING IN THE PRIVATE SECTOR. BUT IT IS EQUALLY CLEAR THAT FOR A LONG TIME THERE WILL BE A REQUIREMENT FOR VERY SUBSTANTIAL NUMBERS OF HOMES TO RENT AND THAT UNLESS AND UNTIL THERE IS A SIGNIFICANT REVIVAL OF THE PRIVATE RENTED SECTOR, INCLUDING HOUSING ASSOCIATIONS, THE PUBLIC SECTOR MUST REMAIN THE CHIEF PROVIDER.

CONCLUSION

MADAM PRESIDENT, THE KEYNOTE OF MY SPEECH HAS BEEN THE DEPENDENCE OF SUCCESSFUL HOUSING MANAGEMENT ON LOCAL KNOWLEDGE AND LOCAL RESPONSIBILITY, STRATEGIC DECISIONS ON RESOURCE ALLOCATION ARE A MATTER FOR THE LOCAL AUTHORITY ITSELF, BUT THAT IN TURN MUST DEPEND ON THOSE WHO RUN THE HOUSING ON THE DAY-TO-DAY LEVEL, THEY ARE IN THE BEST POSITION TO KNOW THE NEEDS AND DESIRES OF THEIR TENANTS, THEY ALSO HAVE A DETAILED KNOWLEDGE OF THE STOCK ITSELF, UNLESS MANAGEMENT IS BASED ON DIRECT KNOWLEDGE OF INDIVIDUAL TENANTS AND DWELLINGS, DECISIONS WILL BE INSENSITIVE TO REAL ASPIRATIONS AND NEEDS, AND THE SERVICE WILL BE IMPERSONAL, REMOTE AND INEFFICIENT,

HOWEVER GOOD THEIR EXISTING SERVICES, I DOUBT IF ANYONE CAN PUT THEIR HANDS ON THEIR HEARTS AND SAY THAT THEIR COUNCIL'S PERFORMANCE CANNOT BE IMPROVED,

THE GRANT OF A ROYAL CHARTER WILL GIVE STILL GREATER PRESTIGE TO THE INSTITUTE AS IT MEETS NEW CHALLENGES AND ENHANCES PROFESSIONAL STANDARDS, I CONGRATULATE IT, AND WISH IT WELL FOR THE FUTURE,



Housing Pt 4 Policy

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