

CAMBRIDGE'S STRUGGLE FOR SOCIAL HOUSING

By John Marais

The Cambridge Commons

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FREE FOR PEOPLE ON BENEFITS

Cambridge's Struggle for Social Housing

“House prices and rents in Cambridge are beyond the means of the majority of local people. They are rising faster in the city than earnings. There is a desperate need for genuinely affordable homes for ownership or rent. But there is no end in sight to the chronic and divisive housing crisis.”

“Cambridge: Wealth and Want”, Fairness Review, Cambridge Commons 2015

“A Tory housing chief has declared himself ‘fuming’ with the Government over plans that could decimate his council's stock of social housing. South Cambs District Council's cabinet member for housing Cllr Mark Howell hit out against the Government plans in fiery scenes at a meeting of full council yesterday. Lib Dem councillors also claimed the changes left the council “staring into the abyss” and facing a ‘catastrophe’.”

Cambridge News, 25 September 2015 – report from South Cambs council meeting

I grew up on a large council estate, in Ipswich, in the 1950s, there was us – my mum being a schoolteacher, a skilled master carpenter next door one side, and a factory worker the other. That was the pattern all over our very large estate. Moving to our pleasant orange-brick house with a large garden, from a cramped, damp basement flat was only made possible by the huge programme of council building begun after 1945.

Council housing was there again for me, in Cambridge, in 1979. My wife and I had been living in a privately rented bedsit, but when a baby was on the way, decent housing suddenly became an urgent priority. Within a month the council, which then had over 14,000 homes, offered us a two-bed maisonette. After a couple of years we thought it would be better for our daughter to have a bit of garden to play in, so we put in for transfer – within a month again, a two-bed house was offered, and there my daughter grew up, in a decent, secure and affordable home.

We were lucky. The Conservative government's “right to buy” the council home that you lived in had not begun to damage the council housing stock. Any family in need, like ours, could normally obtain a council home in Cambridge without a long wait. Council housing was a valued part of the social fabric. Nye Bevan's vision of council housing being a ‘living tapestry’ of a mixed community, providing a reasonable housing choice for people of varying backgrounds, still survived to some extent. Up to the 1970s, almost one third of the population were council tenants.

But from the 1980s onwards, there has been an accelerating trend towards downgrading, diminishing and de-commissioning what we now call “social housing” where councils and housing associations provide homes at affordable rents. It is not just that policymakers favour home ownership. Social housing now is being decimated by deliberate policies; the right to buy a council home has been re-booted with bigger bribes

than ever; housing associations will be robbed of their rented stock; and government is blocking the attempts of councils, including Cambridge, to replace lost properties and to add new stock.

The loss of social housing is especially damaging in Cambridge, caught as the city is in the web of the global London housing market, swelled by a glut of buyers from around the world who are buying houses and flats for their investment value. The government's neo-liberal principles rule out intervening to mitigate the shocking consequences of the rule of the private market – by for example re-introducing rent controls on privately-rented homes - at the same time as its austerity measures – notably the “benefit cap” which reduces the housing benefits for families and individuals who can't afford the full rent – force local people out of renting in the city.

The pressures of Cambridge's dynamic growth are also taking their toll. In 1979, Cambridge's population was 87,000. Now with the population at 124,000 people, our council housing stock has been halved to 7,000, and by 2020 is predicted to be at 5,000, with the population still rising. These are the statistics of madness. Council housing cannot now fulfil its role as a partner to ownership in providing homes; it is reduced to provision almost wholly for the desperately poor and disadvantaged. Its wider part in the city's – and nation's – social fabric is at an end.

Even so, social housing is the main instrument that can begin to assist in mitigating the city's housing crisis. The City Council is committed to providing homes at rents that poorer people can afford, especially where, if necessary, housing benefits reduce the cost. The City Council has aimed to add to a sadly diminished social housing stock – hit hard by the “right to buy” - but government policies and meddling have frustrated its efforts to make a substantial contribution through building new homes.

First, a few figures for context. There is now a large, and growing, private rental market in Cambridge. High and rising house prices are forcing more and more would-be home owners to quit the city or to rent. In 2011, half the population (49.84 per cent) were tenants, compared with just over a third of people nationally. Hostile government policies have so reduced the council's housing stock that 19 per cent of rented housing is now privately rented while just 17 per cent of tenants are in social housing.

Social renting includes housing association as well as City Council homes. In all, the total is just over 11,000 homes, 7,000 of them City Council homes, 4,000 housing association homes. A high proportion of the privately rented housing consists of houses in multiple occupation and more than a third of the stock fails current Decent Homes standards. The impact of austerity and high house prices has been hard on younger households; for 25-34 year olds, home ownership is at 36 per cent. (Figures from the English Housing Survey 2013/14; “Key Statistics”, Strategic Housing, Cambridge City Council).

Housing need in Cambridge

The sheer scale of need for new homes to buy or rent at affordable prices in the city is formidable. The City's housing needs register, what most people call the "housing waiting list", only tells a partial story. There are 2,308 households on the list (as of March 2015) and, as we have seen, the Council's housing stock amounts to only 7,000 homes. The average wait for a Council home has doubled and as the most urgent and desperate cases come first, the wait is endless for many applicants. Many people who are eligible for the register thus probably don't bother to apply.

Homelessness is the extreme indicator of housing need. There are 80 households in emergency or "temporary" accommodation as of March. Cambridge doesn't place homeless people in bed & breakfast. But there is also a large number of the "hidden homeless" - families and individuals who do not meet the strict criteria for re-housing as being in "urgent need", but who have no permanent home; who are nevertheless in acute need; or who live in overcrowded or squalid conditions.

The City Council's stock of social housing

The existing stock of social housing should be the bedrock of secure and affordable housing in the city. New build is the solution that most politicians and commentators advance for dealing with the housing crisis. But generally new housing, private or social, provides only 10 per cent of the annual flow of housing for sale or rent. The rest comes from turnover in the existing stock.

The "right to buy" has severely damaged the role that turnover and re-lets in social housing play in Cambridge by drastically reducing the existing council stock. The impact of the "right to buy", halving the City Council's housing stock to only 7,000 social homes over three decades, continues to be felt. The rate of sales is now on the increase again since 2012 when the government introduced huge discounts on prices and lowered the tenancy period for qualification from five to three years'. The loss of properties has risen to over 60 a year. Like local authorities over the country, the City has not been able to replace homes lost. The overall replacement rate from 1980 has been one home built for every five sold off. The Council predicts that by 2020 its social housing stock will be reduced to 5,000 in all.

Government hostility to social housing

New Labour, the coalition government and the new Conservative administration have all been hostile to local authorities providing social housing. The New Labour government even sought to enforce a transfer of local authority housing to housing associations. I was spokesperson for a tenant campaign against the then Labour council's attempt to make the transfer; tenants rejected it by over 60 per cent in a ballot. But the long term "direction of travel" has been to minimise and marginalise social

housing as “last resort” residual housing, by contrast to the 1970s by which time a council home had become a normal residency choice for over one third of the population.

The Housing and Planning Bill, now in the House of Commons, is designed to kill off social housing, prioritising new homes for private sale, subsidising the “right to buy” housing association social homes, subsidising “buy to let” in the private renting market, and removing obligations on developers to provide some social housing.

1. Creating a “free for all” for developers

The only government grants will be for “starter homes” for new buyers, not homes for social renting. These starter homes will cost 80 per cent of the market price, out of reach for most people on average earnings in and around Cambridge and the city’s low-income households. Further, developers will be allowed to build starter homes for sale in place of the legal obligations to build a proportion of “affordable” or social housing in new developments. These quotas for affordable homes for rent have long been an important part of Cambridge’s housing strategy. Cambridge’s local plan sets a minimum of 40 per cent of affordable housing in new developments.

2. Restrictions on the City’s ability to build

Meanwhile, though new build housing is frequently touted as the solution to the housing crisis, Cambridge City Council is unable to build urgently needed social homes, thanks to government meddling and its restrictive policies, and local housing associations are unable to add the substantial numbers required to make a difference. As the table shows, the City Council built only 16 new social homes last year while housing associations built 243 homes for “social” or “affordable” rent or of intermediate tenure. At the same time new social housing has been so reduced by deliberative government policies and new government measures will reduce it further (see below) so that in Cambridge the council and housing associations no longer have the capacity to even provide for those households that are most in need.

Cambridge: Number of New Social Homes, delivered and projected

Social homes ^[1]	2011/12	2012/13	2013/14	2014-15	2015-16 (projected)
Council Homes ^[2]	3	0	20	16	95
Housing Associations, etc (growth sites)	16	43	182	243	99
Social homes, other sites	54	0	208	24	58
Total	73	43	410	283	252

1. Social homes include social rent, affordable rent & intermediate tenures. Development delays may mean that actual numbers delivered against projected figures may vary.
2. New Council figures include some redevelopments of existing properties.

Source: *Strategic Housing Key Facts*, www.cambridge.gov.uk/housing-research

3. A double whammy: extending the right to buy

The government plans now to extend the right to buy to housing association tenants and the housing association movement has now concluded a “voluntary” deal with the government for the sell-off. This represents a “double whammy” for social housing provision in the Cambridge area. First, rented housing associations will be sold and lost to the stock of social housing for rent. The discounts that apply to council house sales will apply to these sales; housing associations have previously had a much less generous ‘Right to Acquire’, which few tenants took up.

Secondly, the City Council will be forced to sell its “most valuable” homes on the private market when they become vacant to compensate housing associations (which are private companies) for their lost income from the sales. The proceeds will go to housing associations. In Cambridge, initial Conservative Party sources suggest some of our homes deemed most valuable would be:- 1 bed – over £155,000; 2 bed – over £220,000; 3 bed – over £265,000. The City Council estimates Cambridge will lose 25 per cent of homes that become vacant.

4. “Pay to Stay”

The government will oblige the council to apply a means test for households - not just individual tenants. Families earning over £30,000 will then have their rents increased up to market value. It is not clear yet whether this would be tapered, or immediately go up to full market rent. There are two likely consequences. Those who can will be more inclined to exercise their right to buy, while others may well limit their “aspirations” and deliberately keep their incomes just below £30,000. Councils will *not* be allowed to keep the extra rental income. The Treasury will take it.

5. Enforced rent cuts

At the same time, the City Council and local housing associations will be obliged, by primary legislation, to reduce their rents for tenants earning less by, in real terms, 1 per cent each year for four years. This measure will sound like a beneficial move, but it will have a devastating impact on the City Council’s housing finances; and the real beneficiary will be the Treasury rather than tenants as the cut will come off their housing benefits, taking £1.7 billion off the total HB bill.

It is a devastating blow for the City Council. In 2012, the City, along with other councils retaining their housing stock, signed up to a 30 year Business Plan which involved sharing out a supposed (and contested) national debt, but otherwise retaining all their rental receipts, much of which had previously been taken as “negative subsidy” by the Treasury. Cambridge’s share of the debt was fixed at £214 million. As with most councils affected, the debt was seen as onerous and arbitrary. But nevertheless the 30 year plan provided apparent financial certainty, allowed for maintenance and improvements, and even enabled a minimal amount of new building – Cambridge had intended to build some 2,000 social homes over the next 30 years.

The plan, however, depended on rents rising slightly above inflation. The coalition government, led by the Conservatives, had endorsed self-financing, which had been devised in the last year of the Labour government. But now this enforced rent reduction will blow a massive hole in the plan. Repairs and maintenance are likely to be reduced, and new building plans will probably have to be shelved. The cumulative loss to Cambridge over the four years will be some £14 million.

Housing Associations will also face serious problems. David Orr, head of their National Housing Federation, estimates there will be a loss nationally of at least 27,000 planned new homes (*Guardian*, 8 July, 2015).

6. Security of Tenure

One lasting benefit of being a tenant in council housing is that you and your family enjoy security of tenure. It is expected that there will be moves to limit the existing security of tenure, possibly with reviews of tenancies every two years. The notion of a home being a secure and stable base in the community is apparently too good for council tenants and their families.

Summary

It is difficult to see such a combination of damaging measures as anything less than a deliberate attempt to undermine the viability of social – and in particular council-held – housing. Over the years there has been an increasing attitude of disdain for council housing and the people who rent council homes as the drive for home ownership has become a norm. The onslaught on the role of social housing in council ownership has permeated housing policy since 1980, including the introduction of the “right to buy” under the Conservatives in 1997, and continuing with New Labour. From 1997 to 2010, the waiting list for council homes nationally nearly doubled, from one million to 1.8 million households. New Labour in power did its utmost to force councils to divest housing to housing associations.

During the last election, while both Conservative and Labour party leaders frequently made “housing” a priority, neither of them ever specified council or even social housing for rent in particular. The current Labour leadership, however, has expressed an explicit commitment to building 100,000 more council and housing association homes. But for the time being, nearly two million families will have to endure inadequate housing, with all the health, educational and social damage which will arise from that. For the rest of society, the lack of genuinely affordable homes will continue to distort our highly dysfunctional housing market, and threaten the stability of the wider economy.

John Marais

The Cambridge Commons

We are a new organisation for progressive-minded people in and around Cambridge. We aim to be a “hub” organisation, or network, for local citizens and local members of national groups with shared interests in promoting social justice and reducing inequality. We are the local representative body for The Equality Trust, and we hope to provide a network for Compass. We believe that equality is better for everyone, rich or poor.

We have three priorities:

- To make local people aware of the poverty that exists in and around Cambridge and to bring people together to campaign *for* the living wage; *against* the precarious low wage economy; and to *end* the punitive benefits system which is causing hunger and misery to thousands of residents.
- To campaign *for* a more equal society and *against* the rising tide of inequality here and in the country as a whole.
- To draw attention to the absurd cruelty of a housing market that prevents ordinary citizens here from buying or securely renting their own homes, unless their circumstances are so desperate that they qualify for social housing.

We have a positive belief in a communal response to this country’s difficulties in place of neo-liberal economic and anti-state policies.

We have published two reports; *Cambridge: Wealth and Want*, a report on inequality in Cambridge, and *Social Care: from Crisis to Catastrophe*, on the decimation of social care services by Cambridgeshire County Council.

We are holding a major public meeting, “Equality is Better for Everyone,” conference, with Richard Wilkinson, co-author of *The Spirit Level*, on Tuesday, 3rd May, at the Friends Meeting House, Jesus Lane.

Membership of Cambridge Commons is free and open to all, but we would be grateful for donations so that we can do more. Check us out on our website, www.thecambridgecommons.org. If you wish to join us, you can do so via the website.

About the author: John Marais is a tenant member of Cambridge’s housing committee and an activist with Defend Council Housing.