

Impact of thatcher's right-to-buy policy



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Analyse the impact of Margaret Thatcher's right-to-buy policy in the Housing Act, 1980.

As Margaret Thatcher was preparing for the 1979 general election, she promised in her Conservative manifesto that if in power, she would attempt to privatize some of Britain's industries that were state owned. One of the industries that she highlighted to be of importance was that of giving the British people the opportunity to buy their state owned home which would give the working classes an opportunity that was never previously presented before them. Thatcher and the Conservatives decisively beat the Labour Party on the 3rd May 1975 and Thatcher, who was now the first female Prime Minister of Britain, stuck to her promises of the right-to-buy social housing and in 1980, the Housing Act was passed. In this essay, the consequences of the Housing Act from the time of its inception, up until the modern day will be analysed. Since Thatcher's policy was enacted, there has been a radical decrease in the amount of housing that is state owned and an increase in people that own their own property. In most parts of Britain, there is little social housing in Britain and a great deal of homelessness because of the realities of Right-to-Buy (RTB). Many homeowners have become wealthy landlords who have rented their ex-council homes out for up to five times more than the rent of council tenants. With the increase in homeowners but a decrease in social housing, was the right-to-buy policy that was created by Thatcher a success in the modern day?

Before an analysis of Thatcher's Right to Buy policy takes place, it is imperative that a study of the creation of council housing be undertaken. 'Council housing' (the term for public housing constructed by local

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government authorities in the United Kingdom), was “ *a policy that was dedicated to re-housing low income families into state owned properties that were subsidised* “. [1] This particular policy came about following the devastation and aftermath of the First World War and the state of slums in Britain. The need to re-house families arose from “ *an ongoing policy of slum clearance in the 1920s and 1930s; a need heightened from the 1940s onwards because 4 million UK houses were seriously damaged or destroyed by bombing following the Second World War* “. [2] Britain faced a serious housing problem following 1945, and large areas of the cities with serious bomb damage (such as London in the south and Coventry in the midlands) had to be completely cleared and rebuilt. [3] Helped by the new Labour government in 1945 (which promised the social welfare programme to improve the living standards of all in Britain), alongside the implementation of the 1946 Land Acquisitions Act, which allowed local authorities to purchase land for new houses to be built, council house building was done on a vast scale after 1945 and continued well into the 1970s. [4] By 1979 and at the time of the British general election, around 32% of all homes in Britain were council houses, totalling some 6.5 million properties. [5]

The selling of state homes in Britain was not an invention of Thatcher and the Conservatives in 1979. Rather, state owned homes were being sold off in the 1920s, but as Alan Murie argues, it was done on “ *such a smaller scale compared to that of the Thatcher government* “. [6] In as far back as the nineteenth century, “ *housing legislation required that council-built dwelling in redevelopment areas should be sold within 10 years of completion* .” [7] In the 1950's, sales of social housing increased from the 1920s and by May

1956, over five thousand homes were sold (and that was just in 1956!).^[8] It was not until the late 1960s however, when campaigning Conservative local councils undertook successful sales schemes, “ *that Party elites reconceived the idea as an attractive and tenable policy option* “. ^[9] By the 1970s, the debate over the right to buy social housing was getting heated. In 1972, Peter Walker (Conservative Environment Secretary, 15 October 1970 - 5 November 1972) announced at the annual party conference that he believed council tenants who wished to purchase their homes had a “ *very basic right* ” to do so, alongside a discount which applied to those who had stayed at their property long enough.^[10] Michael Hazeltine, the shadow environment secretary in 1979, also a conservative and one of Margaret Thatcher’s closest colleagues, agreed with Walker and urged Thatcher that if they were to win the next election, a RTB policy should be created for the 400, 000+ people that were in a position to buy their own homes.^[11] Thatcher, known for her principles of privatization, did not take much swaying from Hazeltine and used this ‘revolutionary policy’ as a selling point to the people of Britain in the build up to the 1979 general election where Thatcher was in contention to become the first ever female Prime Minister of Britain.^[12]

In the Conservative manifesto of 1979, Margaret Thatcher emphasised considerably on the issue of housing. Under the heading ‘Helping the Family’, the housing topic stretched across one and a half pages. This was more than important issues such as education and the state of the National Health Service, issues that were usually seen as pivotal as a selling point in a party’s manifesto. Thatcher’s emphasis was as Alan Murie states, “ *on home ownership and on tax cuts, lower mortgage rates, and special schemes to*

make purchase easier ". More important than anything else, the selling of council houses was the radical approach to enable working class people to be able to afford the right to buy their own homes. She suggested that the longer the tenant stayed at their council property, the relevant discount should be made, to a maximum of fifty per cent for tenants of twenty years. Thatcher was always a firm believer of letting the individual be in control and the state should be involved in as little as possible. What this meant with regards to housing is that social housing costs the government a vast amount of money. Privatizing the housing sector to those that can afford to buy their own property allowed to free up government funds, as well as giving people the opportunity to buy where before it was not possible.

Upon winning the election of 1979, Thatcher went about getting her Housing Act approved by parliament as soon as possible. However, she and her environment secretary Michael Hazeltine faced fierce opposition to the act from the Labour Party and the House of Lords, and it took nearly eighteen months for the act to be finally approved by parliament (3rd October 1980).

Upon Thatcher's parliamentary victory, she introduced her Housing Act policies in a special television broadcast. *" If you have been a council tenant for at least three years, you will have the right, by law, to buy your house ,"* she claimed. *" The right to buy"*, as it was coined, became the slogan which would transform the housing market in the present day. Andy Beckett argues that the right to buy slogan was *" clever, clear, easy to say, easy to remember, and combining two of modern Britain's favourite preoccupations, personal freedom and purchasing, while also encapsulating the more seductive side of what the Thatcher government was offering the country "*,

he also added that “ *her use of the word ‘ house’ in the special broadcast, when millions of council tenants actually lived in flats, was also significant. It gave the policy an aspirational flavour: reassuringly suburban rather than proletarian and urban* “. What Thatcher wanted to do with this special broadcast was to catch the attention of the masses of Britain. As the working classes were becoming more and more disassociated with politics, it was in Thatcher’s interest to reignite their interest. Knowing that this particular policy was radical, Thatcher wanted to make sure that everyone from any background could be effected by the implementation of the Housing Act. As television was becoming more readily available to the people of Britain, it was shrewd of Thatcher and the Conservative party to advertise right to buy due to the benefits of television, where it had the ability to see Thatcher persuading the public in a way where it felt she was in every living room in Britain.

[1]Disney, R. (2010). The right to buy public housing in Britain: A welfare analysis. *Institute of Fiscal Studies* . 05 (1), p3.

[2]Ibid.

[3]McDonald, J. A. (2011). *Urban Economics and Real Estate: Theory and Policy* . Massachusetts: John Wiley & Sons, Inc. p222.

[4]Leventhal, F. M (2002). *Twentieth-century Britain: an encyclopaedia* . London: Peter Lang Publishing Inc. p136.

[5]Disney, R. (2010). The right to buy public housing in Britain: A welfare analysis. *Institute of Fiscal Studies* . 05 (1), p3.

[6]Murie, A (2006). *Right to Buy* . London: Wiley-Blackwell. p112.

[7]Ibid.

[8]Beckett, A. (2015). *The right to buy: the housing crisis that Thatcher built* . Available: <https://www.theguardian.com/society/2015/aug/26/right-to-buy-margaret-thatcher-david-cameron-housing-crisis>. Last accessed 3rd March 2017.

[9]Davies, A. R. (2013). ' Right to Buy': The Development of a Conservative Housing Policy, 1945 – 1980. *Contemporary British History* . 27 (4), p3.

[10]Beckett, A. (2015). *The right to buy: the housing crisis that Thatcher built* . Available: <https://www.theguardian.com/society/2015/aug/26/right-to-buy-margaret-thatcher-david-cameron-housing-crisis>. Last accessed 3rd March 2017.

[11]Murie, A (2016). *The Right to Buy?: Selling off Public and Social Housing* . London: Policy Press. p75.

[12]Holmes, M (1989). *Thatcherism: Scope and Limits, 1983-87* . London: Palgrave Macmillan. p226.